



TAMPEREEN TEKNILLINEN YLIOPISTO  
TAMPERE UNIVERSITY OF TECHNOLOGY

GAZI ISHTIAK JAHAN  
SELECTING MOST APPROPRIATE ONLINE MARKETING  
PLATFORMS FOR DELIVERING VALUE PROPOSITIONS

MASTER OF SCIENCE THESIS

EXAMINER: Professor Petri  
Suomala and Dr. Jouni Lyly-  
yrjänäinen

## ABSTRACT

### **GAZI ISHTIAK JAHAN: SELECTING MOST APPROPRIATE ONLINE MARKETING PLATFORMS FOR DELIVERING VALUE PROPOSITIONS**

Tampere University of Technology

Master of Science Thesis, 93 pages

January 2017

Master's Degree Programme in Industrial Engineering and Management

Major: International Sales and Sourcing

Examiners: Professor Petri Suomala and Dr. Jouni Lyly-yrjänäinen

**Keywords:** Customer Value, Value Proposition, Online Marketing, Strategic Benchmarking, Marketing Strategy, Value Delivery Framework.

In this modern era of technological evolution, our day to day lives is surrounded with Internet, gadgets, smartphones and laptops. We are so much obsessed with technology and those devices have become part and parcel of our everyday lives. This obsession with technology has created a unique opportunity for marketers to keep in touch with customers and to feed them promotions and offers continuously. Online marketing platforms are not only allowing marketers to implement and analyze marketing strategies but also helping them to research customer behavior, and to receive suggestions and feedback.

The objective of this thesis is to select most appropriate marketing platforms for delivering value propositions to the different group of customers. The study introduces the concept of strategic benchmarking process for selecting the platform. Moreover, an additional step was included in the process which reflects the selection criteria and justifies the framework. Through the framework, marketers could identify their most suitable platform to reach to their customers. It allows businesses to optimize the marketing budget and helps to bring additional earnings for the company.

The study claims that overall marketing costs of a small and medium sized enterprise could be curtailed and net earnings could be increased. One of the key findings of this study was to reduce the overall marketing expenses without impacting much on generated revenue. This finding could benefit small and medium sized enterprises, and for those who have limited marketing budget to reshuffle their marketing strategies.

The result of the study shows that proposed framework was effective to determine most appropriate platform for the case company. The implemented strategy and online platform helped the company to reach to their target customer. Furthermore, the framework helped to bring additional savings from the monthly expenditure. Due to the limitation of marketing budget and lacking of strategy implementation know-how in other platforms, the study was limited to one platform.

## **PREFACE**

During my master studies, I realized that I am passionate about sales and marketing. When I discovered that the case company was searching for someone who would help them to develop a solution for selecting an appropriate marketing strategy from various online marketing platforms, I became so excited. I took the opportunity and fortunately, the case company offered me to work as master's thesis worker for them. After couple of months the company found a solution which helped them to select marketing platforms according to their needs and marketing budget.

While working in the case company, I came to learn much about different online marketing platforms and their implementation techniques. I had the chance to get insight of online marketing promotional techniques, to work with analytical data and to experience different problem emerged through different stages. Thankfully, I was able to work with a team who helped to provide me necessary information throughout the project work. I am really happy that at the end, the case company found a resolution for their problems which would benefit the company financially.

I would first like to thank Dr. Jouni Lyly-yrjänäinen for his continuous encouragement and guidance during the process of writing this thesis and throughout my whole study period at TUT. I would also like to thank Professor Petri Suomala for his valuable comments and insights. My cordial wishes also goes to the management of case company for allowing me to work for them. Finally, I would like to express my sincere gratitude to my wife and my family members for their support throughout all the stages of my life.

Tampere, 15.01.2017

Gazi Ishtiak Jahan

## TABLE OF CONTENTS

1.	INTRODUCTION.....	1
1.1	Background .....	1
1.2	Objective .....	2
1.3	Research process.....	2
1.4	Data gathering methods.....	4
1.5	Structure of the thesis.....	6
2.	VALUE PROPOSITION.....	8
2.1	Definition of customer value .....	8
2.2	Building a customer value model .....	12
2.3	Value proposition.....	15
2.4	Delivering value to customer.....	17
3.	MARKETING COMMUNICATION .....	19
3.1	Types of marketing communication .....	19
3.2	Online marketing landscape .....	21
3.3	Definition of benchmarking and evolution .....	26
3.4	Benchmarking methodology .....	31
4.	DELIVERING VALUE PROPOSITION BY STRATEGIC BENCHMARKING	36
4.1	Building the online marketing strategy.....	36
4.2	Strategic benchmarking model.....	39
4.3	Strategic benchmarking with online marketing types and platforms .....	41
4.4	Delivering value proposition by strategic benchmarking .....	43
5.	THE CASE ENTERPRISE.....	47
5.1	Background of case enterprise.....	47
5.2	Cost structure of case enterprise.....	48
5.3	Existing marketing strategy.....	49
5.4	Problem identification.....	53
6.	MARKETING PLATFORMS BENCHMARKING.....	55
6.1	Idea generation .....	55
6.2	Idea development and testing the idea .....	56
6.3	Strategic Benchmarking with partners.....	62
6.4	Delivering value proposition by strategic benchmarking .....	68
7.	DISCUSSION AND LESSONS LEARNED .....	73
7.1	Overview of the proposed framework .....	73
7.2	Reflection of the case in framework .....	75
7.3	Analysis of the case result based on identified problem.....	78
7.4	Research limitation .....	80
8.	CONCLUSION.....	81

## LIST OF TERMS AND ABBREVIATIONS

1. **Channel:** A pathway in which customer and marketer interact with each other.
2. **Platform:** A surface on which marketer can implement their marketing strategy such as Facebook page, own website and YouTube channel for example.
3. **Value Bubble:** A value bubble is an economic cycle characterized by rapid escalation of asset (value) prices followed by contraction.
4. **Fresh:** Refers to keep the website up-to-date.
5. **Click-stream:** The route that visitors choose when clicking or navigating through a site.
6. **Outbound marketing:** A marketing strategy where marketers push his or her message out far and wide hoping that it resonates with that needle in the haystack.
7. **CPA:** Cost Per Acquisition, an online advertising pricing model where the advertiser pays for each specified acquisition. For example, an impression.
8. **SEO:** Search engine optimization, it is the process of getting traffic from free or organic search results on search engines.
9. **Impression:** Refers to the point in which an advert is viewed once by a visitor, or displayed once on a web page.
10. **Ad Recall lift:** An estimate of the number of additional people who may remember seeing adverts, if asked, within 2 days. This metric in Facebook advertising shows results for ads using brand awareness, video views and webpage or Facebook page post engagement objective.
11. **Post engagement:** Post engagement is any action taken through posted advert. This could be a click, like, share or comment.

# 1. INTRODUCTION

## 1.1 Background

In this modern era of technological innovations, the world is always in turmoil and the pace of innovation and change is increasingly fast and disruptive. Consumers are eager to co-create and self-produce meaningful contents, whether iconic, audio-visual, textual, to relate to their brands and companies (Cova et al., 2011). They claim to be listened to, to be involved in, to be entrusted with the production of brand-related contents. They wish to act as the protagonists of the relational exchange with companies and brands (Gambetti et al., 2012).

On the other side, companies are striving to satisfy consumers' needs by getting closer to them to establish a deeper relational bond that may make sense for them and be perceived as valuable. That with the ultimate aim to enhance companies' capability to compete on quality, on distinctiveness, on service, on innovation, to regain customer loyalty and defend profitability from the inexorable erosion brought about by the current price war forcing branded products to compete on promotions (Schultz and Block, 2012).

Satisfying consumers and bonding with them in an empathetic and meaningful relational exchange increasingly implies the abandon of the traditional sender-biased and controlled communication model (Christensen & Cornelissen, 2010; Christensen et al., 2005), to systematically adopt an emergent communicative model that is not desk-defined and planned by the company (Schultz & Kitchen, 2004).

The internet has established an engaging communicative model for both the customer and the organization. It is transforming the economics of marketing and making obsolete many of the function's traditional strategies and structures. For marketers the old way of doing business is unsustainable (Edelman, 2010). Marketing can no longer do it alone; the solution to every problem is not a new advertising campaign. Real action is needed to solve today's complex problem, inspired by communication thinking (Edelman, 2014).

For most small to medium sized businesses online marketing presents a unique challenge and opportunity. It is important for the business owners to understand the necessity of marketing their businesses online, and the positive impact it can have in generating new prospects, increasing brand awareness, and building trust with their audience. Limited practical experience and expertise, limited amount of time, and limited budget prevent business owners for achieving success. (Yablonski, 2014)

## 1.2 Objective

The thesis introduces a value delivery framework with online marketing channels specially designed for small and medium sized business organizations. Customer values could be addressed to the potential customers by implementing different marketing channels and techniques. From business organization's perspective, to attract and offer right values continuously is the most important thing for persuading the target customer and for closing a successful deal.

Online marketing channels provide an ample of opportunities to the business organization to promote and to sell products or services according to the target audience. Due to large number of online marketing channels and their implementation platforms, it is extremely important to select appropriate marketing platforms through a systematic process. This process would help organizations to create customized marketing strategies for different audience groups and to deliver value proposition according to their needs.

The study claims that strategic benchmarking process could be a viable option to support and justify the selection process. The benchmarking process would provide business organization an opportunity to select, and evaluate the available platforms and help to leverage the appropriate platform for intended group of audience. Thus, the objective of this thesis is.....

*to analyze most appropriate marketing platforms in online marketing through strategic benchmarking process for delivering value proposition to the target audience.*

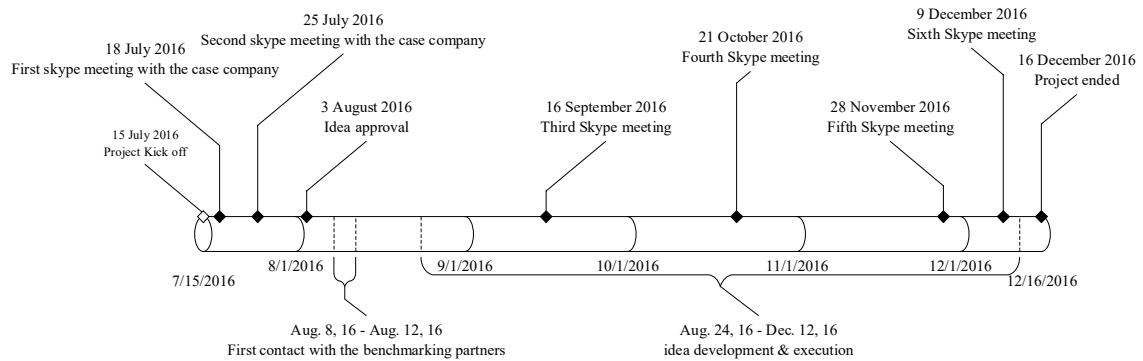
To address this objective, this thesis reviews the literature concerning customer value, value proposition, role of communication in marketing and various benchmarking processes. Next, a framework is designed to demonstrate the usability of strategic benchmarking process in online marketing to select most appropriate platforms. Finally, the proposed framework is tested with a new marketing strategy in the case company.

## 1.3 Research process

The project officially started on July 15<sup>th</sup>, 2016. The research was conducted based on a small enterprise situated in Dhaka, Bangladesh. The first idea was presented to the case company on 18<sup>th</sup> of July through a Skype meeting with the CEO of that company. A week later, second meeting was held to gather more information regarding the company and to check the feasibility of the research process.

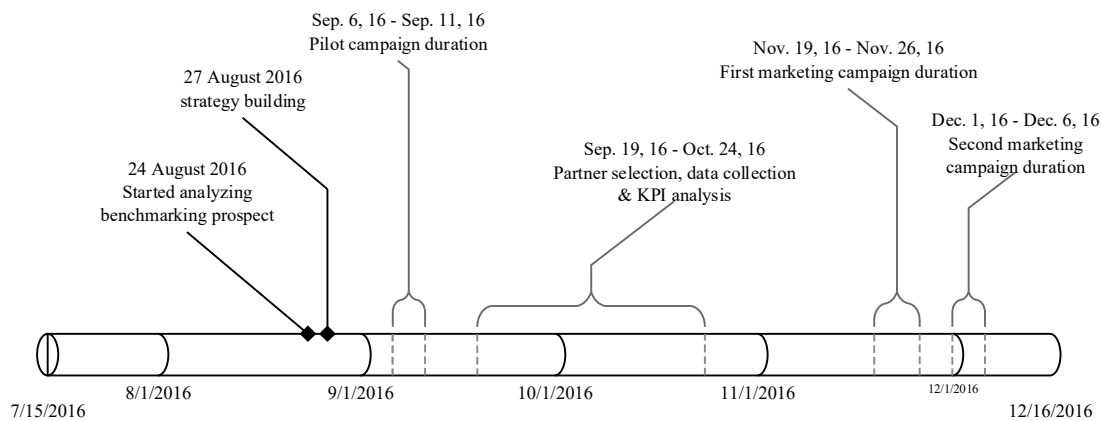
In Figure 1, general overview of the research process is illustrated. On 3<sup>rd</sup> of August, the proposed idea was approved by the case company and was requested to proceed further with the research proposal. From August 8<sup>th</sup> to August 12<sup>th</sup>, initial communication was established with several benchmarking partners. Idea development and execution phase was completed

between 24<sup>th</sup> of August and 12<sup>th</sup> of December. During this time, several Skype meetings were held with the case company. The project officially ended on December 16<sup>th</sup>, 2016.



**Figure 1.** General overview of the research process.

In Figure 2, value proposition framework building activities are illustrated. On 24<sup>th</sup> of August, benchmarking prospects were started to analyze in terms of case company's business sector perspective. On 27<sup>th</sup> of August, new customer and marketing strategy was offered to case company according to their business model. A pilot campaign was launched based on new customer and marketing strategy on September 6<sup>th</sup>, which ended on September 11<sup>th</sup>. Between September 19<sup>th</sup> and October 24<sup>th</sup>, benchmarking partner selection, data collection activities of benchmarking partners and key performance indicators (KPI) analysis of partners was completed.



**Figure 2.** Value proposition framework building activities.

First marketing campaign was launched on November 19<sup>th</sup> and ended on November 26<sup>th</sup>. A second campaign was started on 1<sup>st</sup> of December which helped to analyze the benchmarking result further and ended on 11<sup>th</sup> of December. The project officially ended on 16<sup>th</sup> of December, 2016.



## 1.4 Data gathering methods

Amaratunga et al., (2002) stated that research is a systematic, methodological process of investigation to increase existing knowledge or create new knowledge. According to Remenyi et al. (1998), research methodology is a procedural framework within which the research is conducted. Many factors influence on choosing an appropriate research methodology, of which the research topic and the specific research question are the key drivers. From one perspective, research could be theoretical or empirical. Theoretical research takes care of only existing theories and hypothesis to answer a research question or to create framework based on existing theories.

Empirical research consists of gathering and analyzing empirical data and subsequent reporting of findings and conclusions (Minor et al., 1994). Empirical research normally starts with the definition of a research question or problem. Next, the researcher goes through the existing literature and constructs a hypothesis or a theoretical framework. The hypothesis or theoretical framework generated is then tested in a real-life situation. Finally, the researcher reaches conclusions and discusses the viability and limitations of the study. (Simon et al., 1996)

Moody (2002) mentioned that empirical research methods could be divided into qualitative and quantitative methods. Qualitative methods are more appropriate in the early stages of empirical research, particularly for theory building. On the other hand, quantitative methods are more suitable for theory testing and refinement. However, in practice, no research method is purely quantitative or qualitative. Mostly a combination of quantitative and qualitative methods is used to achieve a particular research objective, referred to as triangulation (Voss et al., 2002). According to Wohlin et al. (2006), empirical research strategies could be divided into four types: experiment, case study, survey and postmortem analysis. Among these methods, only experimentation is quantitative, with the rest of these representing a combination of both. Since this thesis is a case study, the characteristics of a case study are explained briefly in the following paragraph.

Case study research is conducted to obtain a better understanding about complex phenomena or to explore hidden phenomena. Although case studies can use both qualitative and quantitative data generation methods, qualitative methods are much more common. (Karimian Pour, 2015) Gummesson (1993) categorized data gathering methods that can be used in a case study research for management subjects into five groups. In the following table, these methods and short descriptions of each are described.

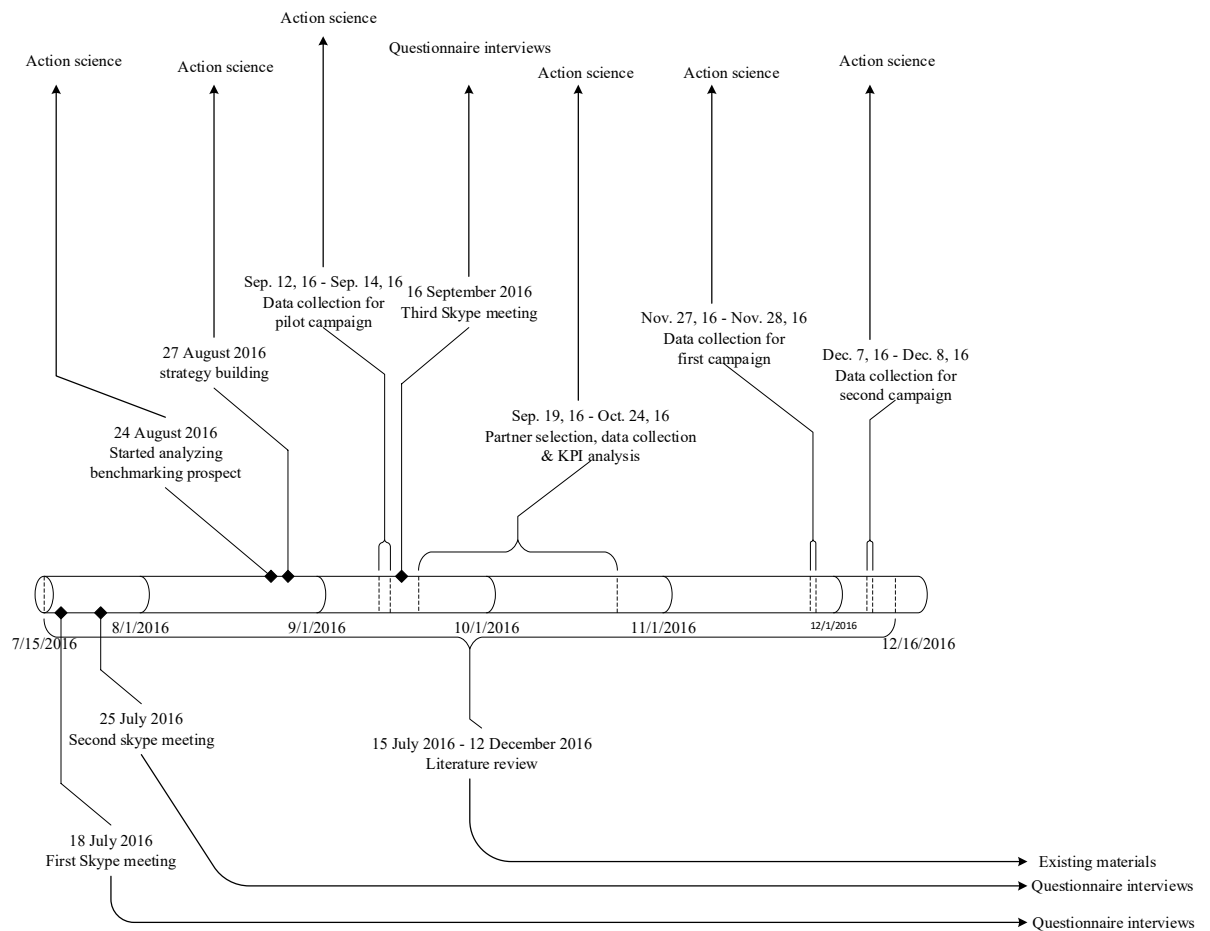
**Table 1.** *Data gathering methods (Gummesson, 1993; adopted from Karimian Pour, 2015).*

Method	Description
Existing materials	Everything that is conveyed by other media (e.g., books, articles, mass media reports, brochures, films) than humans. Existing materials are often referred to as secondary sources of data.

Questionnaire surveys	Questionnaire surveys are used for formalized and standardized Interviews.
Questionnaire interviews	Questionnaire interviews are the most common method to generate data in case study research. They usefully include open ended questions, which are asked according to interview flow.
Observation	Observation is a method to gather information by observing the subject of the study.
Action science	Action science requires the total involvement of the researcher in the process and can contain all other data gathering methods.

The goal of this study was to create a theoretical framework for delivering value proposition in online marketing communication with the help of strategic benchmarking models. The theoretical framework was tested in a real-life product development project. Various data gathering methods were utilized in this study, including existing materials, questionnaire interviews, observation and action science. At first, relevant information was collected from company catalogues, and online sources (Facebook) concerning the company, its operations and future goals. In addition, questionnaire interviews were conducted with the case company's personnel (Chief executive officer) to obtain more detailed information and knowledge.

Data for the case study were gathered by observation and action science. During this research process, the author had to conduct several interviews with the company's CEO to understand the need for the project from the company's perspective. In addition, the author was also involved in all development activities which include creating the promotional materials, launching the online marketing campaigns, contacting with the benchmarking partners, time and cost study, as well as demonstrating the idea to company's CEO and manager. Involvement of the author in this project provided the opportunity to build a value proposition delivery framework in online marketing channel and to analyze the available marketing routes with the help of strategic benchmarking models. In Figure 3, data gathering method used for developing value proposition delivery framework is illustrated.



**Figure 3.** *Data gathering method used in value proposition delivery framework.*

As shown in the figure above, there are several activities with more than one data gathering method. It can be argued that since action science may include all the other data gathering methods, there is no need to write, for example, both action science and observation for an activity. The only reason for mentioning the data gathering methods in the figure above is to emphasize the role of observation and interviews in gathering data during certain parts of the research process.

## 1.5 Structure of the thesis

This thesis study is logically divided into eight chapters. The content and objectives of each chapter is described briefly below.

- Chapter 1 introduces the background and main objective of the study. It also explains the research process and data gathering methods applied in the research activities.

- Chapter 2 explains the customer value concept. This chapter also includes customer value building methodologies from different authors' perspectives, value proposition concept and discuss successful value proposition delivery process.
- Chapter 3 portrays different types of marketing communication, online marketing landscape in marketing communication, benchmarking concepts extracted from literature reviews and discuss various benchmarking methodologies from different perspectives.
- Chapter 4 introduces value proposition delivery framework in online marketing communication. The chapter focuses on how to build a customer strategy, online marketing strategy and one particular strategic benchmarking model. At the end, a framework is proposed based on that strategic benchmarking model and new marketing strategy.
- Chapter 5 briefly describes the case company history, financial situation of the case company and their current marketing strategies. It also discusses the reasoning behind the company's decision to adopt a new marketing strategy.
- Chapter 6 demonstrates the development process of value proposition delivery framework by explaining the important stages in the development process. In addition, the chapter explains marketing campaign results adopted through the new marketing strategy, cost study and performance analysis, and benchmarking methodology on that particular context. At the end, value proposition delivery framework was analyzed based on result, analysis and benchmarking methodology.
- Chapter 7 reviews the research problem and theoretical framework of the thesis. Then, it applies the framework to the case study and analyzes the results. Finally, it states the findings of the research and points out the limitations of this study.
- Chapter 8 concludes the report.

## 2. VALUE PROPOSITION

### 2.1 Definition of customer value

The word value is defined as the importance, the worth and the usefulness in the eyes of customers. It is all about taking a closer look to the unexpressed needs of customers' and fulfilling the needs in delightful and unexpected ways. Customer value is rather experienced and felt (Lanning, 1998), and far more than finding a way to beat the competition (Woodruff, 1997).

The concept of value, however, is one of the most overused and misused concepts in social sciences in general and in management literature in particular (Leszinski and Marn, 1997). It is used in diverse fields such as finance, economics, management, information systems, ethics, aesthetics, justice, social equity and fairness. (Normann, 2001; Wikstrom and Normann, 1994). Further, value is discussed in many streams of marketing literature including: relationship marketing, pricing, and consumer behavior – in total quality management literature, and strategy literature (de Chernatony et al., 2000).

The management literature on value is clustered generally around three categories of value: financial economists advocate shareholder value, marketers advance customer value, and stakeholder theorists promote stakeholder value (Reichheld, 1994). Customer value, however, is the source of all other values (Michael and Fred, 1995; Lemon et al., 2001). It is important to mention, the customer value concepts which will be discussed later in this chapter, all are based on customers' perspective, not from suppliers' point of view.

Customer value basically is the difference between what a customer gets from a product or service and in order to get that what he or she needs to provide. Customer value can be interpreted in different ways. According to Zeithaml (1988):

*Value is the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given.*

Based on this definition, customer value is similar to a trade-off: In order to obtain something from a product, a customer should give something in return. Similar definitions focusing on the trade-off aspect of customer value has been presented by a number of other authors (e.g., Anderson & Narus, 1998; Gale, 1994; Monroe, 1990; Day, 1990; cited in Karimian Pour, 2015). Monroe (1990) refers customer value from buyers' perception as follows,

*Value is a tradeoff between the quality or benefits they perceive in the product relative to the sacrifice they perceive by paying the price.*

In that definition Monroe (1990) explains customer value as a tradeoff which is related perceive and sacrifice. Customers sacrifice by paying the price in order to perceive the quality or benefits of the product or from the product. Butz & Goodstein (1996), mentions customer value as follows:

*Value is an emotional bond which is established between a customer and a producer after the customer has used a salient product or service produced by that supplier and found the product to provide an added value.*

According to the concept of Butz & Goodstein (1996), customer value is an emotional bond between a customer and a supplier after customer receives the added value from that particular product produced by the supplier. Zeithaml, (1988) describes value from customers' perspective which could be achieved through a set or sets of different criteria.

*Value could be purchasing a product or service in a low price from market, or, when anticipated attributes are experienced from that particular product or service, or, could be a tradeoff between one giving and one receiving component (price and quality), or, it might be receiving all relevant components according to all relevant giving components.*

Although there are numerous concepts regarding the customer value, however, it is quite difficult to set an exact definition of customer value. Even authors have acknowledged this difficulty involved in defining customer value (Piercy and Morgan, 1997; Woodruff, 1997; cited in Khalifa, 2004). Khalifa (2004), grouped customer value definition into three categories.

**Table 2.** Customer value definitions (Adapted from Khalifa 2004).

Categories	Key concepts
Value components models	Highlights product features in the process of developing new products or services; pay less attention to the interaction and relationship between customers and suppliers and full customer activity cycle.
Benefits/costs ratio models	Includes all elements in customer activity cycle; less attention to the dynamics of value building and destruction and do not link benefits and sacrifices in customer ends.
Means-ends models	Based on assumption that customers acquires and use products or services for an accomplish ends; do not elaborate on the trade-offs customers are expected to make between benefits and sacrifices.

Table 2 exhibits models according to the three categories of customer value defined in different perspective. In value components models, value is defined from different value elements. Value components models generally focus more on customers' behavior of buying or rejecting a product or service, and, customer satisfaction and functionality.

Benefits/costs ratio models represent the concept of receiving benefits and for that, incurring sacrifices from customers' perspective. Various authors have described these benefits and sacrifices in different terms and models.

Means-ends models represent customer behavior and emphasizes how personal values influence individual behavior. Means-ends models are based on the assumption that customers acquire and use products or services to accomplish favorable ends (Khalifa, 2004). There are also several concepts introduced by different authors according to this models. In Table 3, customer value concepts introduced by different authors are briefly described based on value components model, benefits/cost ratio model and means-ends model.

**Table 3.** *Customer value concepts according to different authors and categorized models.*

Value components models	
Authors	Concepts
Kaufman (1998)	Defines value elements as want, worth and need. Each decision of acquiring goods or services requires one or a combination of those value elements.
Kano (1980)	Refers customer satisfaction and functionality in different aspects of a certain product or service. Value elements are, <ol style="list-style-type: none"> <li>1. identify the voice of customer;</li> <li>2. translate the voice of customer into critical to quality characteristics; and</li> <li>3. evaluate the current performance.</li> </ol> The critical to quality characteristics (CTQs') are ranked into three categories. <ul style="list-style-type: none"> <li>• Dissatisfier- must be's (cost of entry);</li> <li>• Satisfier- more is better (competitive); and</li> <li>• Delighter- exciter (differentiator).</li> </ul>
Benefits/costs ratio models	
Monroe (1990), Gale, (1994)	Focuses on benefit components includes tangible and intangible attributes of the product/service offering.
Butz and Goodstein, (1996), Carothers and Adams (1991), Grönroos (1997)	Focuses on sacrifice components which includes monetary and non-monetary factors such as time and effort needed to acquire and use the product/service.
Day (1990)	Emphasizes on perceived customer value which represents the difference between "customer's perceived benefits" and "customer's perceived costs".
Woodruff and Gardial (1996)	Indicates that the judgment of value results from a trade-off in positive consequences (benefits) or desired outcomes and negative consequences (sacrifice) or costs.
Michael & Fred (1995)	Defines customer value as the sum of benefits received minus the costs incurred by the customer in acquiring a product or service.
Horovitz (2000)	Introduces a concept where customers receive value when the benefits from a product or service exceed what it costs to acquire and use it.
Lyly-Yrjänäinen et al. (2010)	Defines perceived customer value as a difference between perceived benefits and perceived costs.

Porter (1985)	Defines customer value as “ <i>what buyers are willing to pay</i> ”.
Parolini (1999)	Describes the meaning of value in microeconomics as the consumer surplus, which is:  “ <i>the difference between the utility of a product for consumers (that is, the gross benefit received as measured by the price they would be prepared to pay for it) and the reduction in the sum that these have available to spend on the consumption of other products (that is, the price that they have to pay in order to be able to make use of the product).</i> ”
Means-ends models	
Gutman (1982), de Chernatony et al.(2000)	According to their concept, value is defined in terms of personal values, mental images, or cognitive representations underlying customers’ needs and goals.
Sheth et al. (1991)	Refers five consumption values – “functional”, “social”, “emotional”, “epistemic” and “conditional” – which could influence consumer purchase and choice behavior.
Lanning (1998)	Argues the value that matters are the value in the customer’s experience not the value in the product. Also mentions that the customer’s resulting experience is the essence of value proposition.

Table 3 represents customer value concept of various authors from different angles. Kaufman (1998) classifieds these elements as ‘want’, ‘worth’ and ‘need’. Kaufman asserts that each decision to acquire goods or services includes one or a combination of all the above value elements, where the sum of the elements results in a buy decision. Kano’s model of customer perception of value is an example of well-known value components model (Khalifa, 2004). According to Kano (1980), in order to measure the customer satisfaction and functionality of product or service, three value elements would need to be considered.

In benefits/costs ratio models, some authors emphasize heavily on benefits components (Monroe, 1990; Gale, 1994), whereas some authors put more focus on sacrifice components (Butz and Goodstein,1996; Carothers and Adams,1991; Grönroos,1997). Day (1990), Woodruff and Gardial (1996), Michael and Fred (1995), defined customer value as a difference or tradeoffs between perceived benefits and perceived costs. Lyly-Yrjänäinen et al. (2010), referred perceived customer value as a difference between perceived benefits and perceived costs. On the other hand, in management literature, customer value is defined as a consumer surplus (Parolini, 1999).

According to means-ends model, customer value is defined in terms of personal values, mental images, or cognitive representations which underlies customers’ needs and goals (Gutman, 1982; de Chernatony et al., 2000), whereas Sheth et al. (1991) refers a summation of five

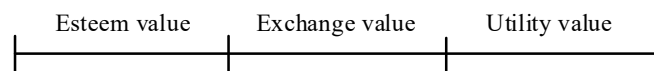


consumption value which actually brings value to customer. Lanning (1998) argues customer experience actually generates the value to the customer not the product or service.

## 2.2 Building a customer value model

In previous section, different concepts of customer value which are extracted from various literatures' reviews were exhibited. All those definitions of customer value were categorized according to three different models referred by Khalifa (2004). In this section, some of those concepts will be discussed briefly which would help to build a customer value model.

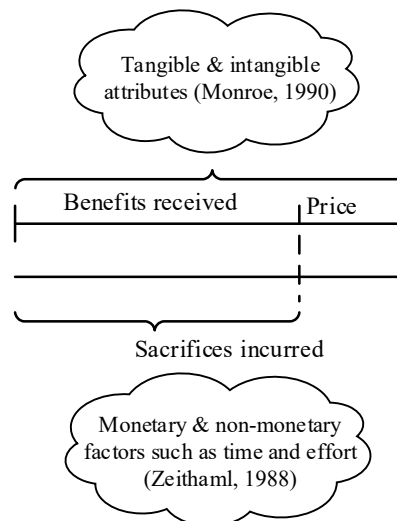
Kaufman (1998) defines customer value as a combination of three different values. According to author, the value elements are Esteem value, Exchange value and Utility value. In Figure 4, customer value concept of Kaufman (1998) is illustrated.



**Figure 4.** Customer value model (Adopted & modified from Kaufman, 1998).

Esteem value or “want” invokes the buyer’s desire to own for the sake of ownership. Exchange value or “worth” describes why the product interests the buyer and how and when the buyer will use the product. Utility value or “need” is the most important value element which represents the performance and physical characteristics of the product.

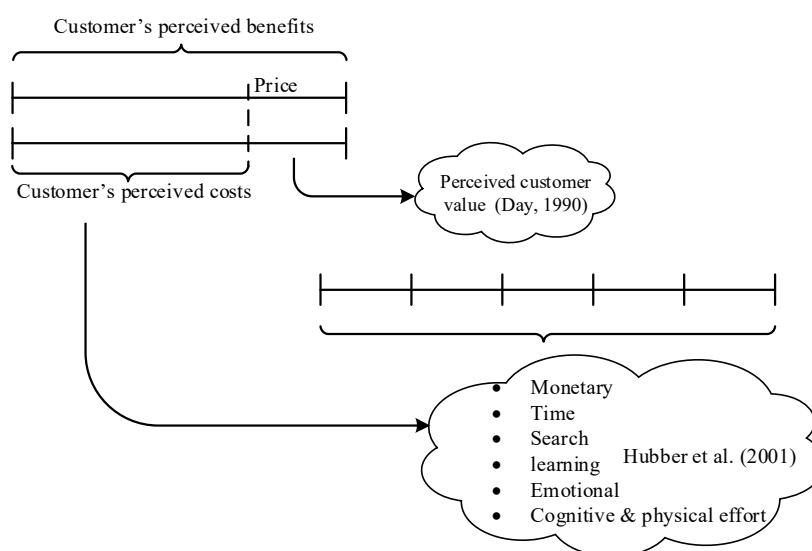
In Figure 5, customer value concept is illustrated according to benefits/costs ratio models. Here, value is defined as difference between customers’ perceptions of benefits received and sacrifices incurred in relation to pricing.



**Figure 5.** Customer value concept according to benefits/costs ratio models (Adopted and modified from Monroe, 1990 and Zeithaml, 1988).

Monroe (1990), describes customer value as perceived customer benefits which include tangible and intangible attributes of the product/service offering. On the other hand, Zeithaml (1988), emphasizes sacrifice components of customer value which include monetary and non-monetary factors such as time and effort.

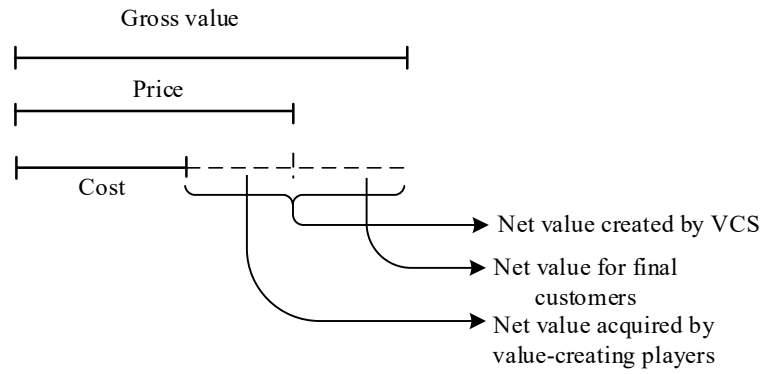
In Figure 6, customer value is defined with the concept of Day (1990) and Hubber et al. (2001). Day (1990) proposes that the perceived customer value represents the difference between “customer’s perceived benefits” and “customer’s perceived costs”.



**Figure 6.** Customer value concept with perceived customer value (Adopted & modified from Day, 1990 and Hubber et al., 2001).

According to Day (1990), customer perceived value is the difference between perceived benefits and perceived costs. Huber et al. (2001) suggest that to evaluate the perceived customer value of a product, the costs of obtaining the perceived benefits are usually the major concern of buyers. In their model they propose that the relevant costs of a purchase considered by consumers include the following: monetary costs, time costs, search costs, learning costs, emotional costs, and, cognitive and physical effort coupled with financial, social, and psychological risks. They further suggest that consumers encounter risks when they face the uncertainty or potential negative consequences of consumer activities.

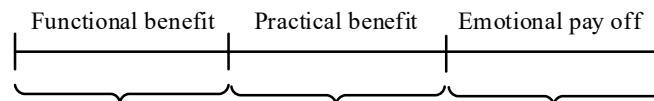
The benefits/costs models are also prevalent in the strategy literature. Porter (1985) defined value as “what buyers are willing to pay”. Parolini (1999) criticizes Porter’s definition of value and describes the meaning of value in microeconomics as the consumer surplus. She develops a methodology which postulates the net value and differentiates three types of net value.



**Figure 7.** Value creating system of Parolini (1999) (Adopted & modified from Khalifa, 2004).

In Figure 7, Parolini's value creating system is illustrated. According to her methodology, the net value created by the system is the difference between the gross value that a customer assigns to a product or service (regardless of its purchase price) and the overall costs sustained by the Value Creating System in producing it. The total net value created by the system is divided between the final customers and the economic players participating in its creation on the basis of their relative bargaining power.

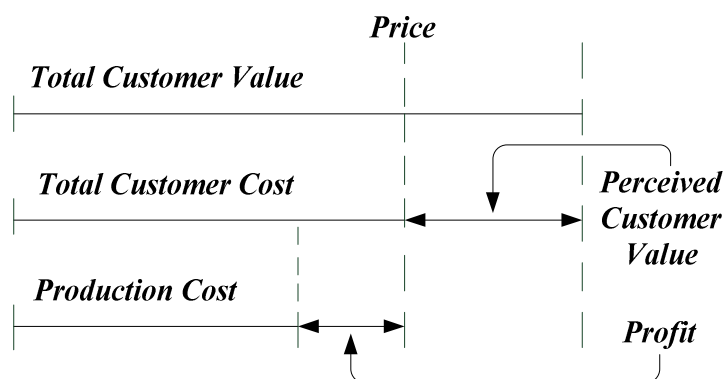
The concept of Sheth et al. (1991), which is categorized as Means-ends model, identifies five consumption values – “functional”, “social”, “emotional”, “epistemic” and “conditional” – which could influence consumer purchase and choice behavior. When a customer wants to buy a product or service, they expect different types of benefits from the product or service. According to Lyly-Yrjänäinen et al. (2010), these benefits may be economical, psychological or functional. The authors have interpreted the monetary value of these three (3) type of benefits as Total customer value. In Figure 8, Total customer value is illustrated in terms of three types of benefits.



**Figure 8.** Different types of benefits for obtaining total customer value (Adopted from Lyly-Yrjänäinen et al., 2010).

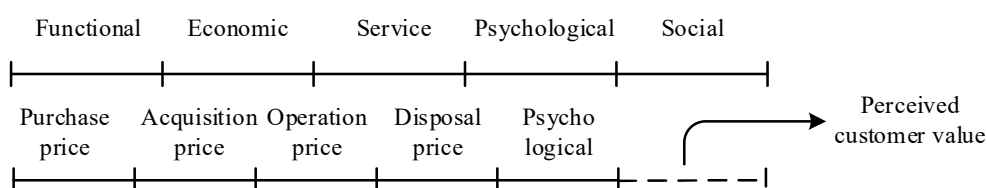
According to Lyly-Yrjänäinen et al. (2010), customers are willing to do sacrifices in order to get those benefits. The difference between these benefits and sacrifices can be defined as perceived customer value. The monetary value of these benefits is known as total customer value. Customers are sacrificing their money which can be defined as costs. The sum of the costs related to achieve those benefits is known as total customer cost. Perceived customer

value is the difference between total customer value and total customer cost. Figure 9 represents the relationship between profit and perceived customer value.



**Figure 9.** Relationship between perceived customer value and profit (Adapted from Lyly-Yrjänäinen et al. 2010).

As it is clearly seen in the above figure, price for the product must be set between total customer value and production cost in order to make profit. Karimian Pour (2015) proposes a customer value framework that provides a better understanding of Lyly-Yrjänäinen et al. (2010) concept and offers a more detailed categorization of the benefits and sacrifices.



**Figure 10.** Customer value model (Adopted from Karimian Pour, 2015).

In Figure 10, a detailed categorization of customer value model is illustrated. In the above figure, the total customer value and total customer cost are divided equally among the customer value drivers for the sake of simplicity. However, in a real-life situation, the importance weighting of each of these value drivers from the perspective of customers varies significantly. (Karimian Pour, 2015)

## 2.3 Value proposition

The term ‘value proposition’ was coined by Michael J. Lanning in 1980. Generally, a value proposition is the collection of reasons why a person or company benefits from purchasing something. Lanning (1998) makes an important contribution by insisting that the value which actually matters is the value in the customer’s experience not the value in the product. He maintains that the customer’s resulting experience is the essence of value proposition. According to Lanning (1998) value proposition

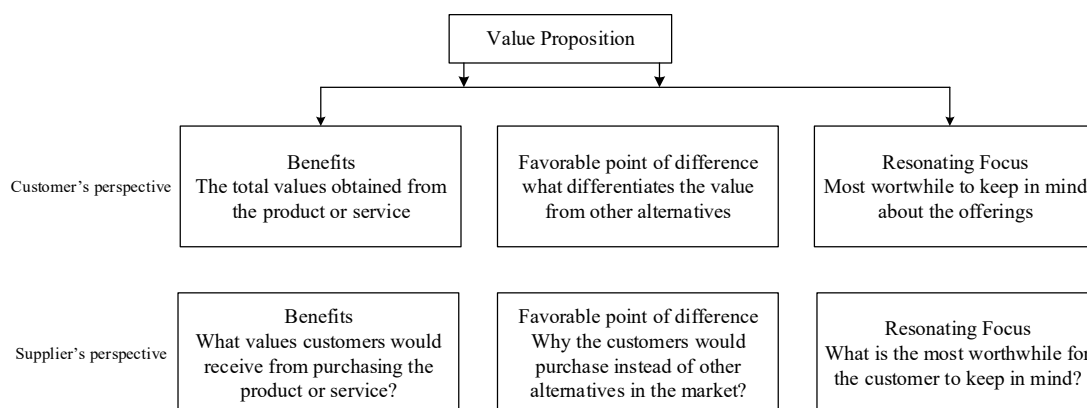
*...is about customers but for organization; not addressed to customers but must drives internal and external communications between customer and organization and articulates the essence of a business, defining exactly what the organization fully intends to make happen in the customer's life.*

To be actionable, the description of a value proposition must be specific and precise. So much so that this description must allow the organization to make meaningful trade-offs and set priorities throughout the functions and across all relevant resources and processes.

Duchessi (2004) defines value proposition in his book *Crafting customer value* as follows:

*The strategy of a company for how it expects to deliver superior value to customers and earn a profit with understanding the requirements and of its customers' needs and expectations.*

According to Kaplan and Norton (2004), this strategy requires a clear articulation of targeted customer segments and the value proposition is required to please them. Anderson et al. (2006) explain value proposition in three different angles. Firstly, the total customer benefits or scopes the product or service is likely to bring. Secondly, the differences between the offered one and the existing one in the market and, finally, the resonating focus which motivates customer to use it for longer period of time. In Figure 11, modified value proposition framework of Anderson et al. (2006) is exhibited.



**Figure 11.** Value proposition framework from customers' and suppliers' perspective  
(Adopted and modified from Anderson et al., 2006).

In the above figure, value proposition framework is visualized from the customer's perspective. Benefits part consists all the values the customer is likely to obtain from the product or service. It could be economic, functional or psychological benefits or combination of all. The favorable point of difference part should answer the question of why the product or service is better compared to the other alternatives in the market. The final part or resonating focus part should explain the one or two most important characteristics of that product or service which will not void with the introduction of new technology or concept.

On the other hand, from supplier's perspective, in order to deliver value to the customer, it is very important to identify the right customer for the business. In consumer markets, the actual buying decision depends on typically one person or a household. However, in B2B markets, the decision making process relies on decision making committee which could include buyers, gatekeepers, influencers, users and others.

## 2.4 Delivering value to customer

Lanning (1998) introduced a fundamentally different and an ultimately revolutionary paradigm which is known as delivering profitable value (DPV). According to Lanning, DPV is a pragmatic and comprehensive approach in order to transform a business organization's ability in highly competitive environments.

In Lanning's (1998) Delivering profitable value (DPV) approach, the key components are:

- Real and complete value proposition, and
- Deliver the chosen value proposition

The real and complete value proposition component emphasizes on target customers (or other entities) for the value proposition, relevant time frame in which the value proposition will be delivered, customers' consequences (such as buy/use and/or other behaviors/changes), suppliers' competing alternatives (competitors, status quo, new technologies for example), and finally and most importantly, resulting experience from customers' and suppliers' perspective. In Table 4, some value proposition criteria are described.

**Table 4.** *Real and complete value proposition criteria (Adopted & modified from dpvgroup.com website).*

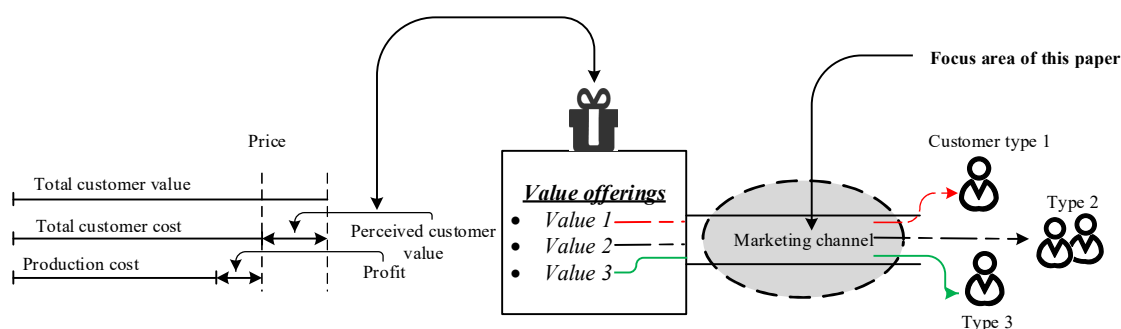
<b>A real and complete winning value proposition</b>	
Is all about	And is not
The impact which the companies will have on customers to achieve financial and other goals.	Vision and mission statement
An internal articulation of business strategy's fundamental driver.	A communication statement, a slogan or selling-line aimed at customer.
Focuses on five key factors: the target customer, timeframe, intended target customers' consequences, competitors and resulting experience.	Product "positioning". It is not about how the product is positioned in the market or how good or superior the product is compared to others.
Clear statement which would indicate how the resulting experiences are different from customers' other alternatives.	Vague indecisive platitudes with no competitive comparison.
Includes tradeoffs: inferior experiences including costs, vs alternatives.	Only benefits, differentiators.

The second component, deliver the chosen value proposition, focuses on what experiences to deliver to the target customer, not how to deliver the experiences. Lanning (1998) also mentions to manage each business as a value delivery system with 3 integrated high-level functions. They are:

1. Choose the value proposition,
2. Provide the value proposition, and
3. Communicate the value proposition.

Choose the value proposition means discovering or articulating a superior value proposition that focuses on resulting experiences. After that, the chosen value proposition or experiences will have to provide via product or service or attributes. Finally, it is important to ensure that target audience understand or believe the proposition or experience through marketing and sales. (Lanning, 1998)

According to Lyly-Yrjänäinen et al. (2010), perceived customer value are the benefits that customers will receive in exchange of customer cost. Karimian Pour (2015) elaborates this customer cost as purchase price, acquisition price, operation price, disposal price and psychological price. The benefits which customers' will receive in exchange of above mentioned price, will create and impact the resulting experiences of customer (Lanning, 1998).



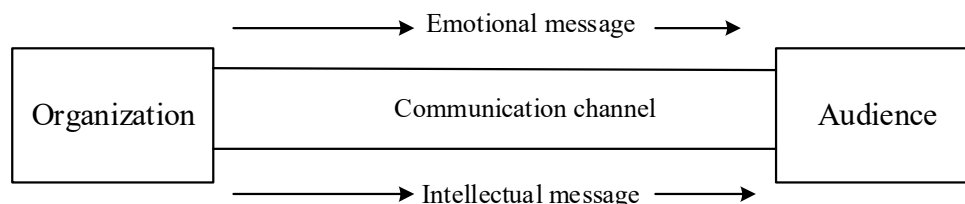
**Figure 12.** Delivering value proposition through marketing channel (Adopted & modified from Lyly-Yrjänäinen et al. 2010).

Figure 12 displays the role of marketing channel in value proposition. In this study, perceived customer value is assumed as value container which offers several values to respective customer groups. The research study will focus on the role of marketing channel in delivering value proposition to different types of customer group. In next section, the role of marketing communication will be discussed.

### 3. MARKETING COMMUNICATION

#### 3.1 Types of marketing communication

Marketing communication is a form of engagement with the audience for the organization in order to pursue marketing and business objective. These audiences refer not only to end users who buy products and services but also to people and organizations who might be able to influence those end users, who might help and support them by providing, for example, labor, finance, manufacturing facilities, distribution outlets and legal advice, or who are interested because of their impact on parts of society or the business sector in particular. (Fill, 2006)



**Figure 13.** *Marketing communication diagram.*

In Figure 13, a simple marketing communication diagram is illustrated. Marketing communications provides the channel or pathway in which brands and organizations represent themselves to their audiences. The main idea is to be engaged or connected with the audience through this channel with an emotional or intellectual message.

According to Fill (2006), the goal is to stimulate a dialogue that will, ideally, lead to a succession of purchases and complete engagement. This interaction between organization and audience represents an exchange process, and based on the quality and satisfaction of that exchange process, the interaction will be repeated or will not be repeated. As a matter of fact, communication is a very important and integral part of that exchange process. The role of communication in this exchange process are described in the following bullets. (Fill,2006)

1. Communication could inform and make potential customers aware of an organization's offerings.
2. Communication may attempt to persuade current and potential customers of entering into an exchange relationship.
3. Communication could also be used to reinforce experiences. This may take the form of reminding people of a need they might have, or of reminding them of the benefits of past transactions with a view to convincing them that they should enter into a similar exchange. In addition, it is possible to provide reassurance or comfort either



immediately prior to an exchange or, more commonly, post-purchase. This is important, as it helps to retain current customers and improve profitability.

4. Marketing communications can act as a differentiator, particularly in markets where there is little to separate competing products and brands. It is the differentiator which creates various brand images, enabling consumers to make purchasing decisions. In ideal scenario, the images created by marketing communications differentiate one brand from another and position them so that consumers' purchasing confidence and positive attitudes are developed. Therefore, communication can inform, persuade, reinforce and build images to delineate a product or service.

Although marketing communications can play a number of crucial roles, it must do so in an increasingly tough communication environment. The media environment has changed dramatically in recent years. Traditional advertising media such as TV, radio, magazines and newspapers are losing their grip on consumers. Technology and other factors have profoundly changed when, where and how consumers process communication. The rapid diffusion of powerful broadband internet connections, ad-skipping digital video recorders, multi-purpose cell phones and portable music and video players have forced marketers to rethink a number of their traditional practices (Kaplan Thaler and Koval, 2003; Kiley, 2005).

In this modern world, the pace of innovation and change is increasingly fast and disruptive, consumers are eager to co-create and self-produce meaningful contents. The contents could be iconic, audio-visual, textual, to relate to their brands and companies in an ongoing network of conversations (Cova et al., 2011; Merz et al., 2009). They claim to be listened to, to be involved in, to be entrusted with the production of brand-related contents. They wish to act as the protagonists of the relational exchange with companies and brands (Gambetti et al., 2012). Nowadays companies need to put themselves in the shoes of their consumers, to grant their leading characteristics what they powerfully demand in their interactions with the brand (Finne and Grönroos, 2009). In addition to, it is important for companies to do this spontaneously, rapidly and in a credible way.

According to Bennett (1995), Kotler and Keller (2009), in order to communicate with a target audience, the marketing communications mix could be applied. The marketing communication mix consists of a set of tools (disciplines) that can be used in various combinations and different degrees of intensity. In addition to these tools or methods of communication, there are the media, or the means by which marketing communications messages are conveyed. The marketing communications mix consists of eight major modes of communication. In Table 5, eight major modes of communication are presented. The first four can be seen as more mass media types of communications; the latter four are more personal modes of communication (Bennett, 1995; Kotler and Keller, 2009).

**Table 5.** Major communication types (adopted from Fill, 2006).

1	Advertising	Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
2	Sales promotion	A variety of short-term incentives to encourage trial or purchase of a product or service.
3	Events and experiences	Company-sponsored activities and programs designed to create daily or special brand-related interactions.
4	Public relations and publicity	A variety of programs designed to promote or protect a company's image or its individual products.
5	Direct marketing	Use of mail, telephone, fax, email or Internet to communicate directly with or solicit response or dialogue from specific customers and prospects.
6	Interactive marketing	On-line activities and programs designed to engage customers or prospects and directly or indirectly raise awareness, improve image or elicit sales of products and services.
7	Word-of-mouth marketing	People-to-people oral, written or electronic communications which relate to the merits or experiences of purchasing or using products or services.
8	Personal selling	Face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions and procuring orders.

These different types of marketing communications perform many functions for consumers. Marketing communications can tell or show consumers how and why a product is used, by what kind of person and where and when. Consumers can learn about who makes the product and what the company and brand stand for; and get an incentive or reward for trial or usage. Marketing communications allow companies to link their brands to other people, places, events, brands, experiences, feelings and things. Marketing communications can create experiences and build communities both on-line and off-line. They can contribute to brand equity – by establishing the brand in memory and creating a brand image – as well as drive sales and even affect shareholder value (Luo and Donthu, 2006).

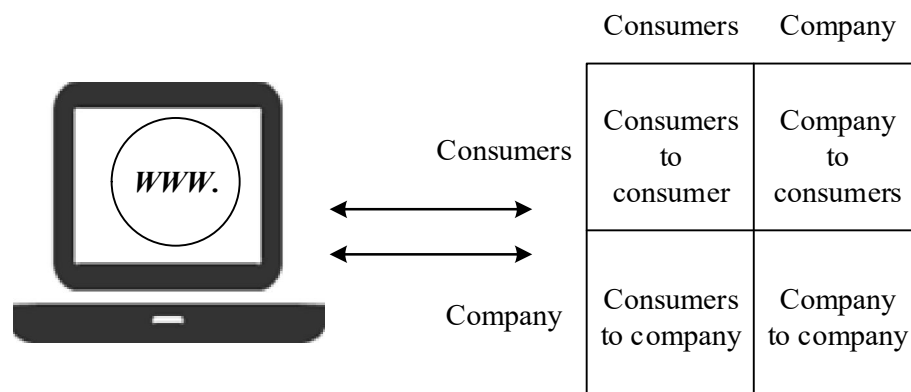
### 3.2 Online marketing landscape

The commonly used term marketing has gone through fundamental change over the past decade, shifting from a narrow managerial or organizational focus to a much broader definition that acknowledges marketing's role in other institutional contexts and in society in general (Petkus, 2009). The American Marketing Association (AMA) has changed its definition of marketing twice, in 2004 and 2007, with its most recent definition positioning marketing as an *activity* rather than a *function*, as a broader activity within the company or organization rather than just a department, and as creating long-term value rather than just an exchange of money. The new definition of American Marketing Association (2007) states:

*“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”*

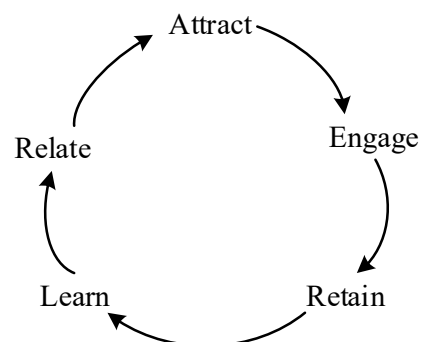
The appearance of the new marketing environment is aligned with the evolutionary progress of the marketing functions from a mass-market model to more interactive individualization of goods, services and interactions (Kiani, 1998). According to Blattberg et al. (1994), in the new environment, marketers are able to consider consumers individually, customize their services and products, and “*establish dialogues with consumers*” rather than talk “*at*” them. This is due to the unique and powerful characteristics of the World Wide Web (WWW).

The opportunities provided by the world wide web in marketing communication channel are phenomenal and communication channel can be discussed in four logical situations: company-to consumer; consumer-to-company; consumer to-consumer; and company-to-company (kiani, 1998).



**Figure 14.** Two-way communication between company and consumer in world wide web (Adopted & modified from Kiani, 1998).

In above figure, the two-way communication between companies and consumers in marketing communication channel is depicted. The world wide web or online marketing channel provides a great deal of scope for both the companies and consumers to communicate and interact in real time. Kierzkowski et al. (1996) proposes a new model for marketing which has five essential factors. In this particular context, Kierzkowski and other authors mention website as new media environment. In Figure 15, the above mentioned model is visualized with five key factors.



**Figure 15.** *New model for marketing in new media environments (Adopted and modified from Kierzkowski et al., 1996).*

According to this model, the five essential factors are,

- Attract users,
- engage users' interest and participation,
- retain users and ensure they return to the website,
- learn about their preferences, and
- relate back to them to provide the sort of customized interactions that represent the true **Value Bubble**<sup>3</sup> of online marketing.

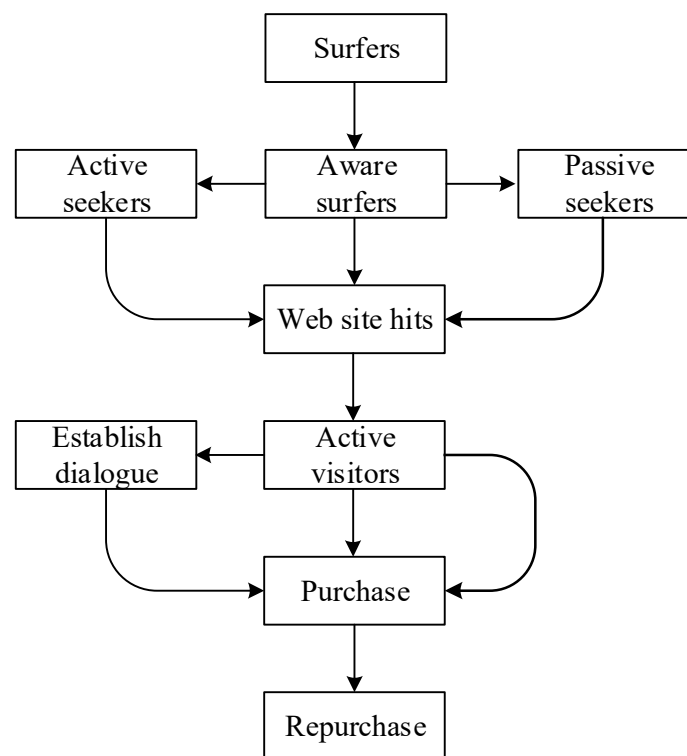
Attract customers to the application is the first essential factor for success in online marketing. The consumers should be attracted to the website. This needs some considerations such as having a mnemonic address for the website and linking from other websites. The second factor is engaging users' interest and participation. In their opinion, (Kierzkowski et al., 1996) this engagement stage is where too many marketing attempts fall short.

Once the consumers have been drawn to the website and they have been engaged with suitably interactive and valued content, the marketer must make sure that they keep returning to the website. This can take place by keeping the website **Fresh**<sup>4</sup> through continuously renewing content and/or providing content that is inherently changeable on an ongoing basis, such as weather reports.

In learning about the preference phase, marketers should learn about consumer demographics, attitudes, and behavior. Demographic and attitudinal information may come in the form of e-mail communications to marketers, opinions volunteered on bulletin boards or information gathered in surveys, questionnaires, or registration processes. Behavioral information can be gathered from transaction records or **Click-stream**<sup>5</sup>, which track how users behave in a website.

The fifth factor represents the opportunity to customize the interaction and tailor either the product or the marketing effort to one consumer at a time. As a two-way and addressable communication channel, interactive media provides an unprecedented opportunity for marketers to relate to a consumer. This may take place by gathering the necessary information from an individual consumer and delivering either a personalized service or product or a communication about the availability of such a personalized service or product.

Berthon and other authors in their journal (Berthon et al., 1996) described various aspects of a website. According to them, website provides detailed product information and specification, help to gain access to previously known or inaccessible buying influences, project a favorable corporate image, foster and encourage consumer involvement with the product range, establish interactivity with both parties, offer product sample to customer, help to build customer database and handles customer queries, complaints and suggestions. They also proposed a model of marketing communication on the web.



**Figure 16.** *The model of marketing communication on the web (adopted & modified from Berthon et al., 1996).*

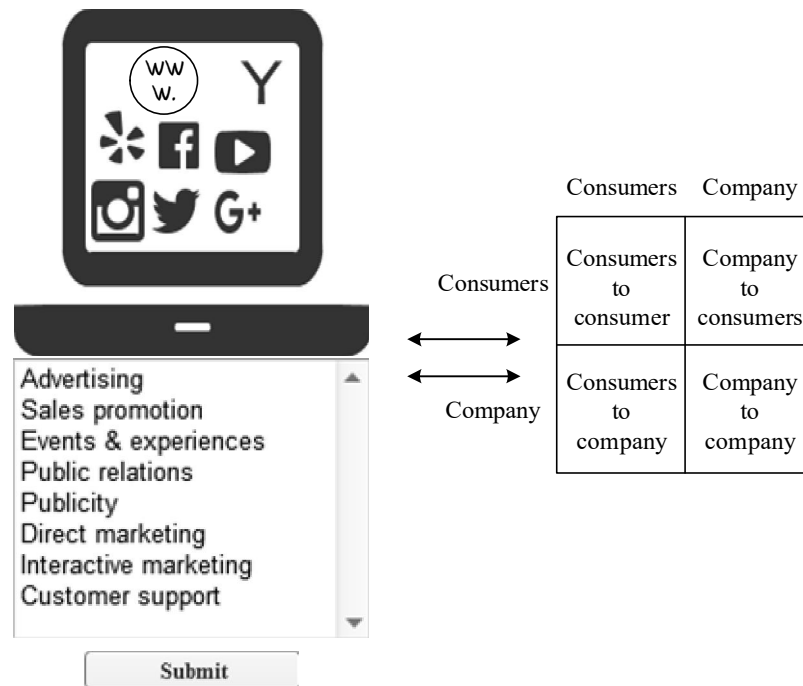
Figure 16 depicts the six stage model of marketing communication on the web. According to this model, the first stage represents the flow of surfers to land on the firm's website. The second stage concerns attempt to help aware surfers find the web site. Active seekers are those who intentionally seek to hit a particular site and passive seekers are those aware surfers whose primary purpose in surfing was not necessarily to hit the specific website. The third stage represents the contact efficiency of the web site, which measures how effectively the company is able to convert web sites into visits. Once visitors are engaged in a visit at the web site, they should be able to establish a dialogue or place an order or both. In the final stage of this process entails converting purchases into repurchases.

In last two decades the online marketing platform has shifted from website to other interactive platforms, although, website is still considered one of the most important marketing platform for communication and businesses (Chaffey, 2010). According to Chaffey (2010), these marketing platforms also involve other digital technologies, such as e-mail, databases, mobile/wireless, and digital TV, to support interactive and non-interactive marketing activities aimed at achieving profitable acquisition and retention of customers within a multichannel buying process and customer lifecycle. The different platforms in online marketing and their evolution are described in Table 6.

**Table 6.** *The evolution of audience engaging platforms and online marketing (Adopted from Business2community.com website, Wikipedia and smartinsight.com website).*

Year	Event
In the early 1990's	CompuServe, Prodigy, Genie (pay based online services)
1991	America online (AOL) for disk operating system (DOS) was launched
1992	SMS messaging was first used
1994	First online display ad was launched , Amazon
1995	Yahoo search engine was launched , ebay
1997	Mobile payments and SEO (search engine optimization)
1998	Google
2000	PPC (pay per click), AdWords, Google mobile advertising
2003	LinkedIn, My space, WordPress
2004	Yelp, Facebook, Vimeo
2005	Google analytics, You tube
2006	Twitter
2007	Tumblr
2008	Facebook ads
2009	Bing
2010	Instagram, internet surpasses newspaper
2011	Google plus, Snapchat, Pinterest
2013	Vine
2014	Mobile surpasses desktop users

The above table depicts the evolution of online marketing platforms in last twenty-five years. During the early 90's, pay-based online services such as CompuServe and Prodigy was very popular among the online users. In 1991, America Online (AOL) was launched for DOS and a year later AOL was launched for Windows. In 1994, Amazon came to the online marketing world and a year later ebay joined with them. In 1998, Google started their journey and brought a revolution in online marketing history. In 2004, Facebook was introduced which brought a new dimension in online marketing and has become the most successful social media platform. In 2010, Instagram was launched which merged with Facebook in 2015. In 2011, Snapchat, Pinterest and Google plus was introduced in the market. In 2013, Vine had started their journey in the market. All of these platforms have various features for online marketing. In 2014, in a survey report conducted by online marketing agencies, refers that online search in mobile has surpassed desktop users. In Figure 17, various online marketing platforms are visualized in two-way communication.



**Figure 17.** Various platform for two-way communication in online marketing channel.

Besides web site, social media platforms such as Facebook, Twitter and Instagram became successful platforms for companies to promote marketing campaigns and to offer customer support. Video sharing platforms such as You tube, Vimeo and Vine gained tremendous popularity between users which allows companies to share their product offerings and compliance through these platforms. Moreover, these platforms provide ample of opportunities to companies to explore different online marketing strategies more frequently than ever before and help to engage with their customers in an interactive way.

### 3.3 Definition of benchmarking and evolution

Benchmarking has been a popular topic for the last two decades and its significance as a practical method in developing critical areas of business is indisputable. It can be said as a management tool for attaining or exceeding the performance goals by learning from best practices and understanding the processes by which they are achieved. The term *Benchmarking* derives from carpenters and surveyors jargon. A mark on a bench or pole became the standard or measure for future repetitions of a service or task. The *benchmark* was accepted as an indicator that some prior measure was true, acceptable, reliable and could be counted on to provide an indicator of a prior quality measurement. (Peischl, 1995)

In modern context, benchmarking is a process of measurement with the help of some external standard of quality to measure internal and external tasks, processes and outputs. Benchmarking can be described as a journey of continuous improvement, a systematic search for new ideas, new methods, and new measurements which is aimed to improve the quality of

the product, or outputs of the organization. In other words, many companies must strive to be better, faster, and cheaper than their competitors, for which, benchmarking should be recognized as a catalyst for improvement and innovation. (Maire, 2002)

Benchmarking can be defined according to different themes. The key themes include measurement, comparison, identification of best practices, implementation, and improvement. According to Camp (2013), benchmarking is the search for the best industry practices which will lead to exceptional performance through the implementation of these best practices. There are plenty of definitions available in the literature and, according to Nandi and Banwet (2000), Spendolini (1992) has found out 49 definitions for benchmarking.

Maire et al. (2005) have proposed that the multiple definitions which were proposed express various stages in the evolution of benchmarking and based on the definitions they have concluded that benchmarking passed four important stages of evolution. During the evolution of benchmarking, some of noted definitions were given by Bemowski (1991), Vaziri (1992), International Benchmarking Clearing House Design Committee (Lema and Price, 1995), Epper (1999), American Productivity & Quality Centre (1993), Dervitsiotis (2000), Freytag and Hollensen (2001), Sarkis (2013), Maire (2002). Two of the latest definitions of benchmarking are follows:

*Benchmarking is the process of identifying, understanding, and adapting outstanding practices from organizations anywhere in the world to help an organization improve its performance. It is an activity that looks outward to find best practice and high performance and then measures actual business operations against those goals (Kumar et al., 2006).*

*Benchmarking is a continuous analysis of strategies, functions, processes, products or services, performances. compared within or between best-in-class organizations by obtaining information through appropriate data collection method, with the intention of assessing an organization's current standards and thereby carry out self-improvement by implementing changes to scale or exceed those standards (Anand & Kodali, 2008).*

The characteristics emerge from these definitions are:

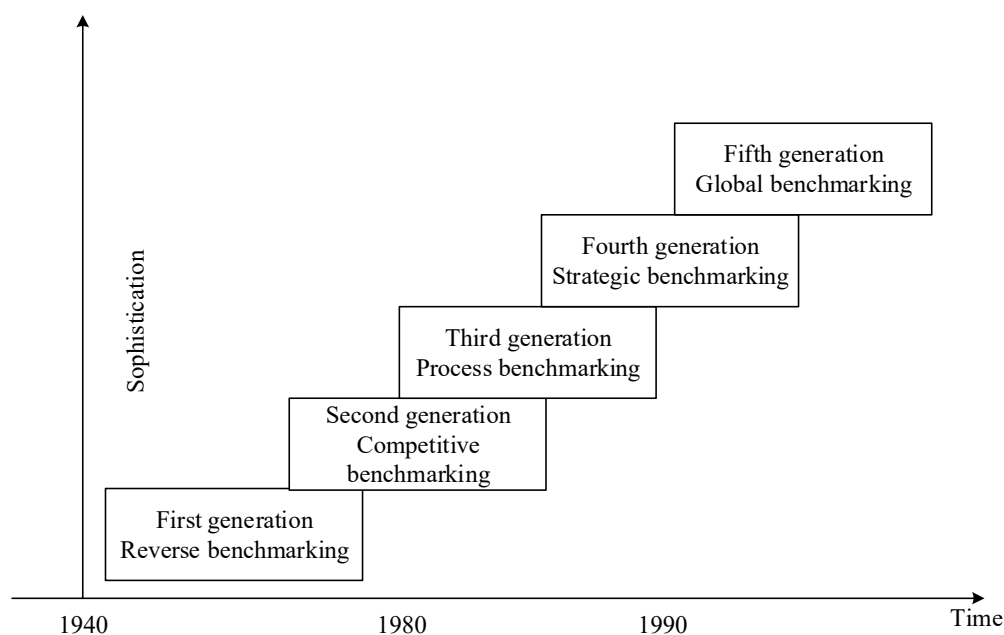
- measurement via comparison,
- continuous improvement and
- systematic procedure in carrying out benchmarking activity.

Over the decades, benchmarking has developed in several stages. Whereas early attempts were mainly product-oriented, contemporary approaches are global and focus on processes and strategies (Ahmed and Rafiq, 1998; Kyrö, 2003). According to Dattakumar & Jagadeesh (2003), more than 350 publications related to benchmarking were available in June 2002. The generic benchmarking concept is applied in almost all contemporary enterprises' functional



areas (Dattakumar and Jagadeesh, 2003). While there is still no consistent theoretical definition of benchmarking (Moriarty and Smallman, 2009), there are many classifications of benchmarking approaches. Today, benchmarking can be considered a mature field of research (Mueller et al., 2010).

Watson (1993) suggests that benchmarking is an evolving concept that has developed since the 1940s towards more sophisticated forms. He proposes that it has undergone five generations. The first one, entitled *reverse engineering*, was product oriented, comparing product characteristics, functionality, and performance of competitive offerings. Second generation *competitive benchmarking* involved comparisons of processes with those of competitors. Third, *process benchmarking* was based on the idea that learning can be made from companies outside their industry. Fourth generation introduced *strategic benchmarking*, as it involves a systematic process for evaluating options, implementing strategies and improving performance by understanding and adopting successful strategies from external partners. Fifth generation was *global benchmarking* which involves the characteristics of involving and applying benchmarking globally. Figure 18 illustrates the evolution of benchmarking as a developing science.



**Figure 18.** Evolution of benchmarking as a developing science (adopted and modified from Watson, 1993).

Karlöf and Östblom (1993) use the term *Benchlearning*, which refers to a cultural change in efforts to becoming a learning organization. According to them, organizations can improve their effectiveness by developing competences and skills and by learning how to change attitudes and practices.

Fong et al. (1998) has established a classification scheme of benchmarking as shown in Figure 19. They have classified benchmarking based on the nature of the referent other, the content of what was to be benchmarked and the purpose of the formation of the inter-organizational relationships associated with benchmarking. Their classification scheme revealed two unique benchmarking types – *Global benchmarking* and *Collaborative benchmarking*.

Classification	Type	Meaning
Nature of referent other	Internal	Comparing within one organization about the performance of similar business units or processes
	Competitor	Comparing with direct competitors, catch up or even surpass their overall performance
	Industry	Comparing with company in the same industry, including non-competitors
	Generic	Comparing with an organization which extends beyond industry boundaries
	Global	Comparing with an organization where its geographical location extends beyond country boundaries
Content of benchmarking	Process	Pertaining to discrete work processes and operating systems
	Functional	Application of the process benchmarking that compares particular business functions at two or more organization
	Performance	Concerning outcome characteristics, quantifiable in terms of price, speed, reliability, etc.
	Strategic	Involving assessment of strategic rather than operational matters
Purpose for the relationship	Competitive	Comparison for gaining superiority over others
	Collaborative	Comparison for developing a learning atmosphere and sharing of knowledge

**Figure 19.** *Classification of benchmarking (adopted & modified from Fong et al., 1998).*

Bhutta and Huq (1999) introduce an integrated matrix with two dimensions, what is compared and what the comparison is being made against. They suggest that each combination in the matrix should be evaluated according to its relevance into three categories: high, medium and low. They also provide general grading for each combination.

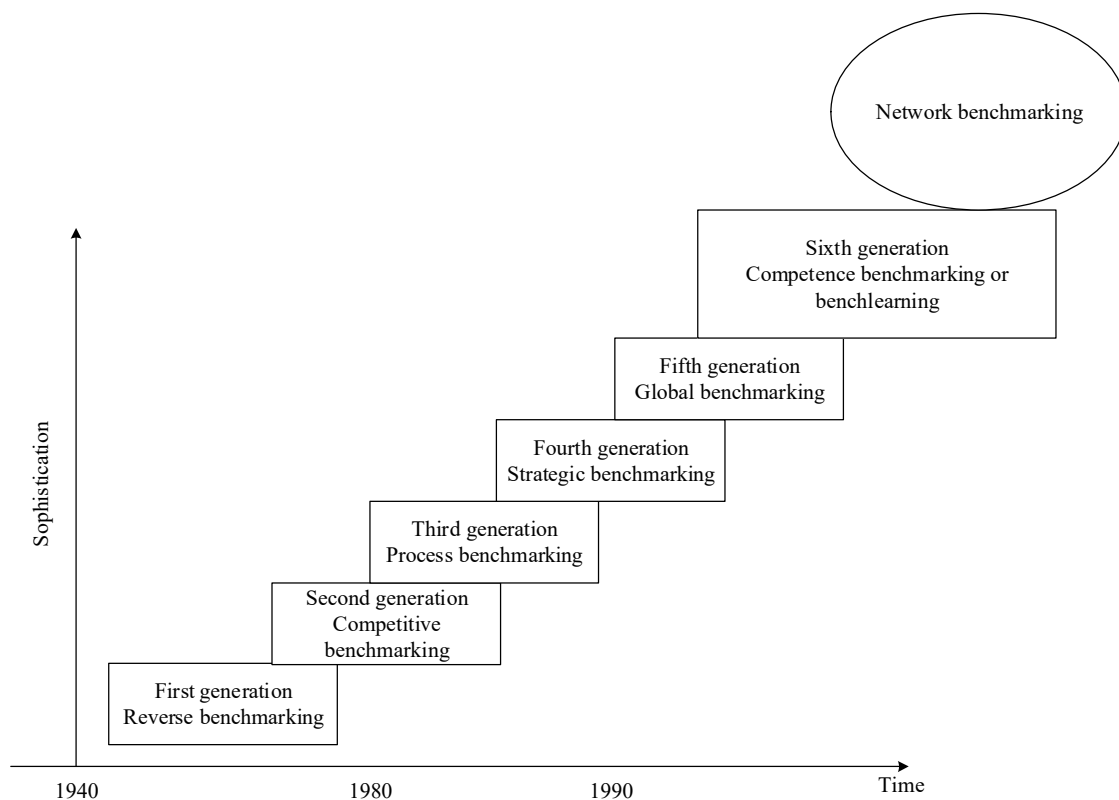
**Table 7.** *The matrix of different forms of benchmarking (adopted from Bhutta and Huq, 1999).*

	Against what to benchmark			
What is benchmarked	Internal	Competitor	Functional	Generic
Performance	Medium	High	Medium	Low

Process	Medium	Low	High	High
Strategic	Low	High	Low	Low

In the above table different forms of benchmarking matrix is illustrated. Bhutta and Huq (1999) define performance benchmarking as a comparison of performance measures for the purpose of determining how good the company is as compared to others. Process benchmarking concerns methods and processes aiming to improve the processes of company. Finally, strategic benchmarking is needed when company aims to change its strategic direction and the comparison relates to how the strategy is made. As comparison partners, the authors use organization itself (internal), competitors, own industry or technology (functional) and finally best practices regardless of industry (generic).

Kyrö (2003) has introduced a newcomer in this evolutionary path of Watson (1993) which is competence or learning benchmarking. The basic philosophy behind competence benchmarking is the idea that the foundation of organizational change processes lies in the change of actions and behavior of individuals and teams. In Figure 20, this new evolutionary concept of benchmarking is introduced.



**Figure 20.** *Different generations of benchmarking (adopted from Kyrö, 2003).*

According to Kyrö (2003), the two dimensional model of Bhutta and Huq (1999) covers the essential features and advances of first four generations (reverse, competitive, process and strategic) of evolutionary classification. However, the matrix encounters problem of covering the recent development of evolutionary classification. Kyrö (2003) proposed a three dimensional benchmarking model to resolve those problems. The three dimensions are:

- A *Benchmarker* referring to who is benchmarking,
- A *Target* referring to what to benchmark, and
- A *Partner* referring to with whom or against what to benchmark.

According to the discussion mentioned above, it is clear that numerous formats of benchmarking exist. Wolfram Cox et al. (1997) in their comparative analysis of benchmarking literature identifies two essential themes which helps to understand the value of benchmarking. They are:

- Value of learning from contexts outside the organization and,
- Importance of adopting a structured and formal approach to capture learning.

The first one concentrates on different paradigms of comparison, and the second one refers on the process of making those comparisons.

### 3.4 Benchmarking methodology

According to Omachonu and Ross (1994), the process of benchmarking is more than just a means of gathering data on how well a company performs against others. Benchmarking can be used in a variety of industries, both services and manufacturing. It is also a method of identifying new ideas and new ways of improving processes and, therefore, being better able to meet the expectations of customers. The ultimate objective of benchmarking is process improvement that meets the attributes of customer expectations.

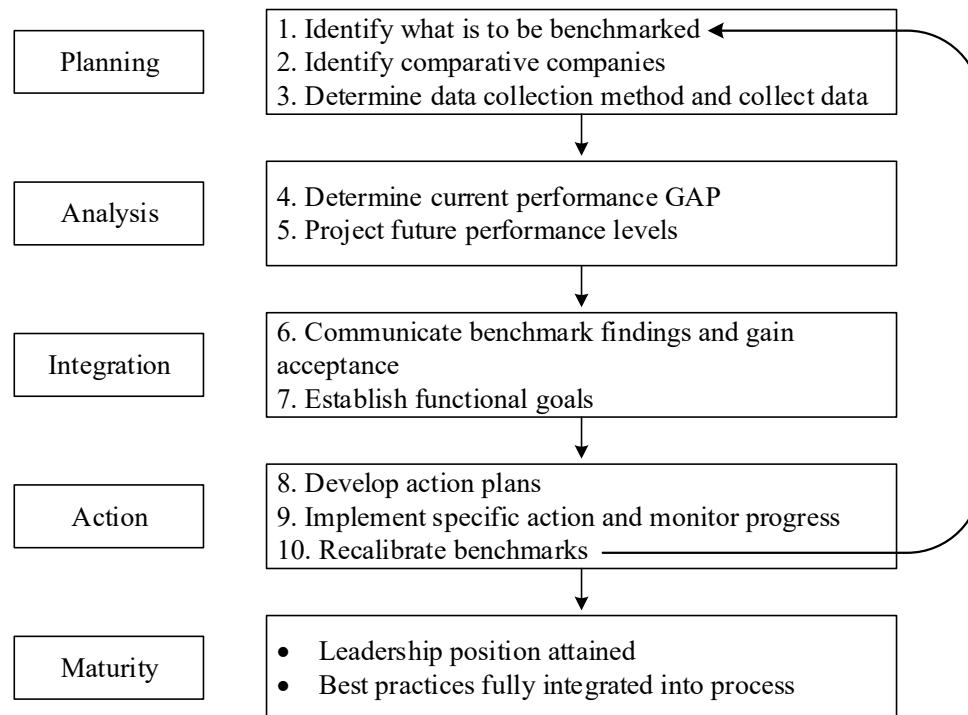
Benchmarking was begun in the late 1970s by Xerox Corporation. During this time, Xerox was losing market share and feeling a lot of pressure from its competitors. In an attempt to try and “*get back into the game*”, Xerox decided to compare its operations to those of its competitors. After finding quality standards with which to compare itself, Xerox began one of the greatest trends in the business world today (McNair and Leibfried, 1992).

Robert C. Camp headed up the now-famous study at Xerox in which the buzzword benchmarking was coined in late 1980. When he was asked whether the best work practices necessarily improve the bottom line or not, he replied:

*“the full definition of benchmarking is finding and implementing best practices in our business, practices that meet customer requirements. So the flywheel on finding the very best, is ‘Does this meet customer requirements?’*

*There is a cost of quality that exceeds customer requirements. The basic objective is satisfying the customer, so that is the limiter” (Linsenmeyer, 1991).*

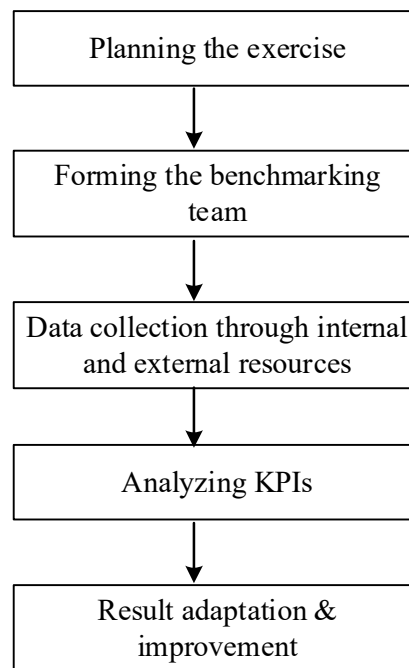
Different steps of Xerox benchmarking process are shown in Figure 21.



**Figure 21.** Xerox's benchmarking process steps (adopted from camp, 1992).

According to Camp (1992), Xerox has 10 steps in its benchmarking process. It has an external focus and comparison strategy. The steps followed by Xerox in its benchmarking process do not explicitly depend on the formation of teams to perform the study. However, teams are formed as the study progresses. Xerox carried out a process oriented benchmarking study and incorporates a formal process of communicating its findings to all parts of the organization.

According to *The Nuts and Bolts of Benchmarking*, written by Margaret Matters and Anne Evans (1997), there are five stages included in the benchmarking process. The five stages of this benchmarking process is visualized in Figure 22.



**Figure 22.** Benchmarking process (adopted and modified from Matters & Evans, 1997).

The five stages of benchmarking process of Matters & Evans (1997) are:

- Planning the exercise,
- form the benchmarking team,
- collect data,
- analyze data, and
- take action.

The brief description of five stages are described below.

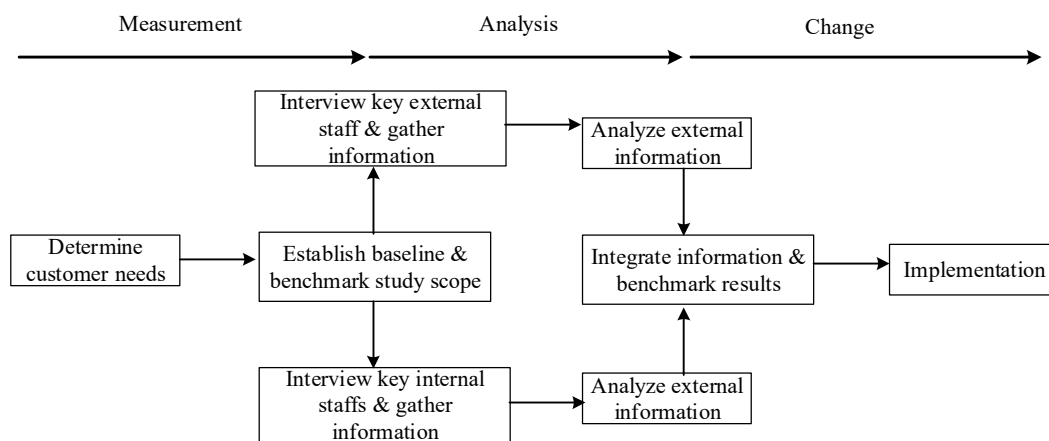
Planning the exercise stage involves identifying the strategic intent of the business or process to be benchmarked. Many times this information can be obtained by looking at the company's mission statement which summarizes its main purposes. Then selection of the actual processes to be benchmarked must be chosen. This consists of identifying various products produced by the benchmarked company and asking your own company if using this process will create positive results in the organization. Then the customer's expectations must be identified. Finally, the critical success factors have to be determined in order to benchmark. These factors are links to successful business results.

The second stage focuses on how to select overall team members. These members should be chosen from various areas of the organization. All members should cooperate and communicate with one another in order to get the best results out of the benchmarking process. There are three main teams comprising the overall group. The lead team is responsible for maintaining commitment to the process throughout the organization. The preparation team is responsible for carrying out detailed analysis, and the visit team must carry out the benchmarking visit.

Third stage involves gathering information on best practice companies and their performances. Before a company identifies best practice companies, they should first identify their own processes, products, and services. This step will allow a company to fully realize the extent of improvements available. Website visits are also an important factor in collecting data because they allow for a more in-depth understanding of the processes.

Fourth stage involves determining how the company relates to the benchmarked company. It allows identification of performance gaps and their possible causes. Fifth stage determines what needs to be done in order to match the best practice for the process. Not only determination of changes should be made, but also they should be implemented.

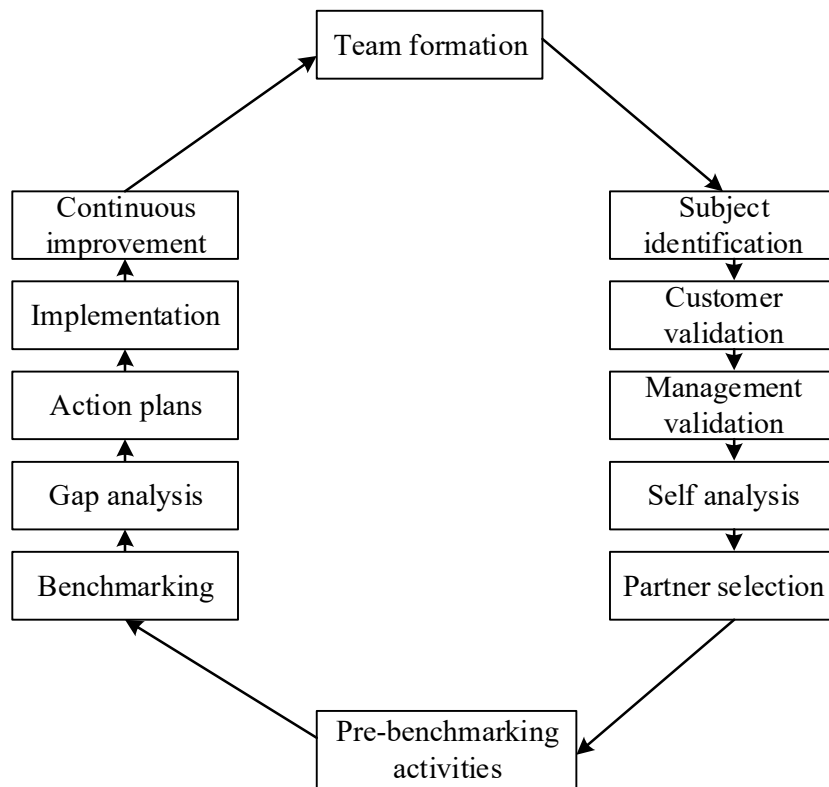
In Figure 23, the benchmarking process of Mc Nair and Liebfried (1992) is illustrated. According to their methodology, benchmarking process is the combination of three phases. First phase defines the measurement process, second phase describes analysis and third phase explains the change or implementation process.



**Figure 23.** Avon product's phases of benchmarking (adopted from Mc Nair and Liebfried, 1992).

According to the benchmarking study conducted in Avon's product by Mc Nair and Liebfried (1992), they came out with three different phases. In measurement phase, customer needs are determined. Then baseline and benchmark study scope is established with the help of interviewing and gathering key internal and external staffs. In analysis phase, information is integrated and benchmarking result is provided by analyzing internal and external information. In final stage, the benchmarking result is implemented.

Anand & Kodali (2008) in their benchmarking methodology, has proposed twelve different phases. The authors benchmarked the benchmarking models and proposed a new methodology which also contains 54 steps. This new benchmarking model eradicates the confusion of selecting the right benchmarking methodology and can be applied for all types of benchmarking. In Figure 24, their benchmarking model is exhibited.



**Figure 24.** Universal benchmarking model (adopted and modified from Anand & Kodali, 2008).

According to Anand and Kodali (2008), their universal 12 phase 54 stage benchmarking model seems to have incorporated the best practices spanning different types and areas of benchmarking. They also claim majority of the previous benchmarking pitfalls can be eliminated through this universal model of benchmarking.

In the opinion of Omachonu and Ross (1994), different companies have their own benchmarking methods. However, it does not matter which method is used, the major steps involved are as follows:

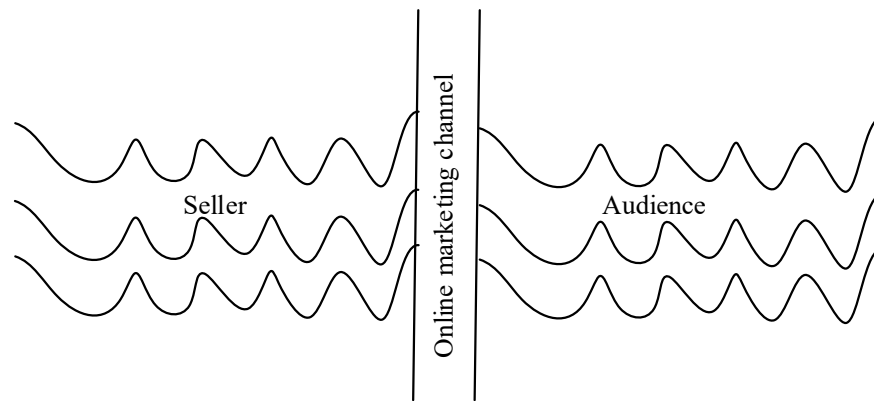
- Measure the performance of the best-in-class relative to critical performance variables such as cost, productivity, and quality.
- Determine how the levels of performance are achieved.
- Use the information to develop and implement a plan for improvement.



## 4. DELIVERING VALUE PROPOSITION BY STRATEGIC BENCHMARKING

### 4.1 Building the online marketing strategy

The online marketing channel gives ample of opportunities and analysis tools to explore new and innovative marketing strategies. Among different marketing strategies and platforms, the most important part is to select the right strategy based on budget and capabilities. In online marketing channel, companies are actively searching for new marketing opportunities, seeking for new customers, and engaging with existing customers with an interactive way. In Figure 25, online marketing channel is visualized between two parties.



**Figure 25.** Online marketing channel between seller and audience.

In online marketing the communication occurs not only with existing customers but also with interested listeners. In this context, interested listeners are those who find interest in promotional advertisement, or offers. As a matter of fact, it is unfair to define all the interested listeners and non-static customers in the same category. From this point, the study will use the term audience which will cover both the non-static customers and interested listeners those who would likely to be potential leads and customers in future. In contrary, the term seller would refer to small and medium sized enterprises (SMEs) from now on.

In order to search for new marketing opportunities and engage existing and target audiences with the business, it is highly essential to deliver the right values to them. However, it is not enough only to deliver values to the audience. Above that, right marketing strategy would easily connect to the audience and deliver the right value according to their customized needs. Building the right strategy is the most important factor to take advantages of online marketing channel and benchmarking capacities.

Building a strategy for utilizing available online marketing routes could be divided into three different parts. They are:

- **Business strategy**- a business plan that would cover a certain period of time.
- **Audience strategy**- a plan that is intended to find the new target audience for the business and engage existing customers in an interactive way.
- **Marketing strategy**- is the foundation of a marketing plan. It is used to achieve maximum profit and to sustain the business. A marketing strategy is drawn from marketing research and helps the business to implement most effective marketing methods.

Business strategy is the granular version of overall marketing strategy. It might consist mission statement, different objectives, value proposition for each type of objective and an elevator pitch which would represent the brand and mission to the audience.

**Table 8.** *A sample business strategy for SME XXX.*

Name of the SME	XXX		
Mission statement			
Objectives	Objective 1	Objective 2	Objective 3
Value proposition			
Elevator pitch			

In Table 8, a simple business strategy is formulated for an imaginary SME named XXX. The strategy is built with their mission statement, different type of objectives they are trying to achieve through their marketing campaign, value proposition for these different objectives, and an elevator pitch.

Building an audience strategy could be very challenging. Audience strategy is about understanding the audience, understanding the factors which motivate them to buy the product or service or, at least influence them to evaluate the product or service. Building a right audience strategy not only ensure highest return on investment (ROI) but also help to find the future customers. The strategy also allows which type of online marketing needs to explore or leverage.

**Table 9.** *A sample customer strategy for SME XXX.*

Mission statement		
Audience type	Type 1 (New target audience)	Type 2 (existing customer)
Audience goals		
Marketing type		

In Table 9, a sample audience strategy is shown for SME XXX. Just for an example, in order to achieve the objective, the SME has discovered two types of audience for the business. One is new target audience, the interested listeners and the other one is existing customers. The new target audience could also be divided into various types according to their customized needs. In the table, audience goals are also listed in order to determine the right marketing type or types which is correlated with type of audience.

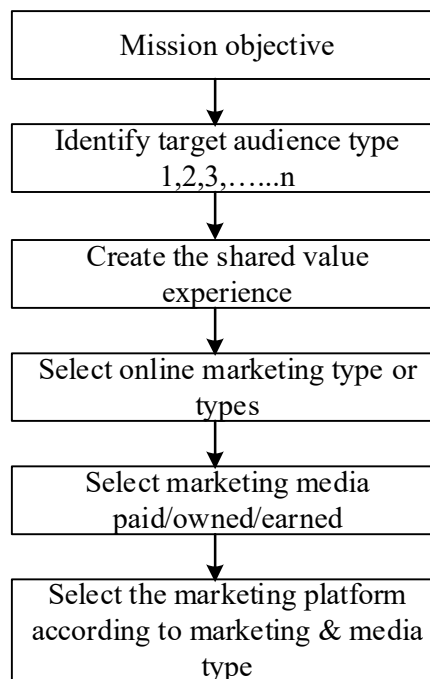
Building a marketing strategy is the final piece in the puzzle. On top of business strategy and audience strategy, marketing strategy could be built. Based on audience and marketing types, online marketing strategies can be formed with either paid media marketing strategy, or owned media marketing strategy, or earned media marketing strategy, or combining all these three strategies.

Paid media serves as a method for promoting content and driving exposure. For example, social media platforms such as Twitter, LinkedIn, Facebook, and Pinterest offer advertising options that can be leveraged to boost exposure. Earned media refers to media exposure earned through word-of-mouth. Whether it was the content which company have distributed, the influence of company's search engine optimization efforts, the customer experience which have delivered, or a combination of all three, earned media refers to the recognition receive as a result. Finally, owned media refers all the contents which are controlled and maintained by the user. It could be website, social media accounts or blog.

**Table 10.** *A sample marketing strategy for SME XXX.*

Business goals			
Audience type	Type A or type B		
Marketing type			
Paid media			
Earned media			
Owned media			

In the above table, a sample marketing strategy is built for the SME XXX. The table describes different marketing media strategies where different online platforms could be explored for promotional offers or campaigns or other marketing purposes. The marketing strategy also sets specific types of tasks and efforts required for each media and for their different platforms.



**Figure 26.** *A simplified online marketing strategy.*

In Figure 26, a simple online marketing strategy for SMEs is developed consisting of three individual strategies: business, audience, and marketing. At the top, business objective of the SME is positioned, the goals that SME is trying to achieve through their marketing strategy. Next step is to identify the target audience type. It could be existing customer or new potential customer. In the next step, SMEs need to create the shared value experience based on their target audience. After that, it is essential to select the marketing type or types. It could be social media marketing or content based marketing or video marketing or search engine marketing or combination of different types of marketing. Next step is to determine marketing media for each type of target audience and their customized needs. Finally, SMEs need to choose the right media platform according to their budget and geographical location.

There are wide range of audience groups in the market and each group has its own customized needs. Due to different marketing types and various platforms, it is very difficult to explore all the platforms at a same time. Therefore, it is very important to understand which marketing strategy and platform would deliver highest ROI percentage, long term success and best possible business result.

## 4.2 Strategic benchmarking model

Kyrö (2003) propose a three dimensional model, which is a modified version of Bhutta and Huq (1999) to overcome difficulties which arise in consistency between and within different forms of benchmarking. The model was based on two criteria. First, it attempts to cover the different forms of benchmarking as extensively as possible. Second, it aspires to hold the

consistency between and within categories as much as possible. According to this model, the three dimensions are:

- A benchmarker referring to who is benchmarking,
- a target referring to what to benchmark, and
- partner referring to with whom or against what to benchmark.

According to Kyrö (2003) less attention has been addressed to the first one, the benchmarker. Since, the benchmarker's structure and the content of benchmarking was becoming more complex, the needs of specifying the structure and scope was emerging. In his three dimensional model the author specifies explicitly the structure and scope of a benchmarker.

						What to benchmark	benchmarking partner (with or against)							
							Structure	Nature			geographical scope			
benchmarker						Performance								
						Technology								
				Structure			Unit	Organization	Network	Internal	competitor	same industry sector or cluster	generic	Local
				Unit	Organization	Network								
Geographical scope						Process								
						Competence								
Local	Regional	national	international	larger alliance	global	Strategic								

**Figure 27.** Three dimensional benchmarking model (adopted from Kyrö, 2003).

In above figure, three dimensional benchmarking model is illustrated. The author has divided the benchmarker's structure into three different parts. They are organization, a unit in the organization and network; which solves the problem of defining the network benchmarking from benchmarker's perspective. In that study of Kyrö (2003), the concept of an organization refers to a firm, a corporation or an enterprise. He also defines the global benchmarking options more specifically as local, regional, national, international, specific geographical area, larger alliance, and global which fulfills the second criteria of this model.

						What to benchmark	benchmarking partner (with or against)										
							Structure		Nature			geographical scope					
benchmarker						Strategic	Organization			same industry		Local	regional	national	international	larger alliance	global
		Structure															
		Organization															
Geographical scope																	
Local	Regional																

**Figure 28.** Strategic benchmarking according to three dimensional model.

In Figure 28, strategic benchmarking is portrayed according to three dimensional benchmarking model. In this particular context, organization refers to small and medium sized enterprises (SMEs) which is considered as a benchmarker. In terms of benchmarker's

geographical scope, the small sized enterprises are designated as local and regional organization.

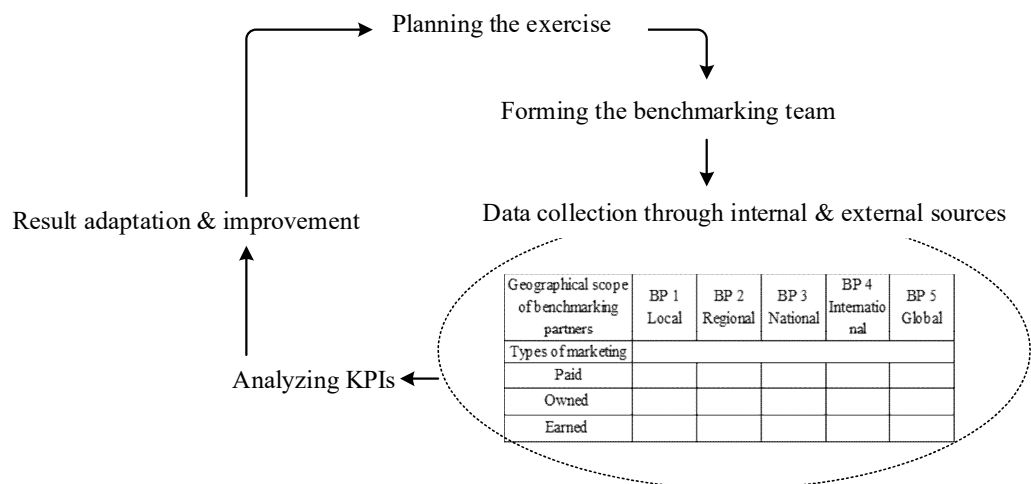
### 4.3 Strategic benchmarking with online marketing types and platforms

Matters & Evans (1997), describes the benchmarking process into five different stages and that method is used for analyzing the strategic benchmarking model proposed for SMEs. In this context, benchmarking data will be collected through external resources. Five different organizations will be selected according to their geographical scope as benchmarking partners. The online marketing types and platforms of partners are listed in the table based on their paid, owned and earned media marketing strategies. In Figure 29, marketing types and platforms of benchmarking partners are visualized.

Geographical scope of benchmarking partners	Benchmarking Partner 1 Local	Benchmarking Partner 2 Regional	Benchmarking Partner 3 National	Benchmarking Partner 4 International	Benchmarking Partner 5 Global
Types of marketing					
Paid					
Owned					
Earned					

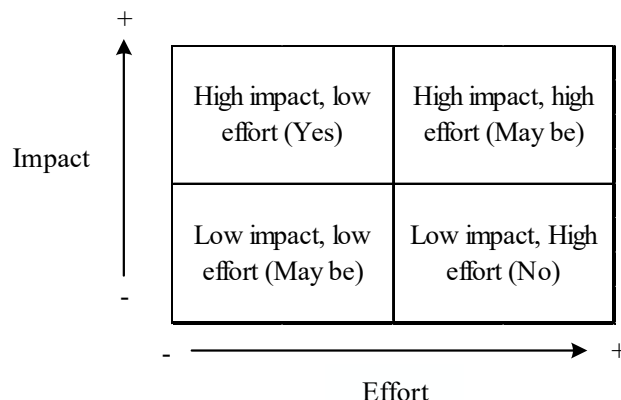
**Figure 29.** Marketing types of benchmarking partners according to geographical scope.

After collecting data from external resources of five benchmarking partners, data will be analyzed according to key performance indicators (KPIs). KPIs will be analyzed based on their paid, owned, and earned marketing strategies.



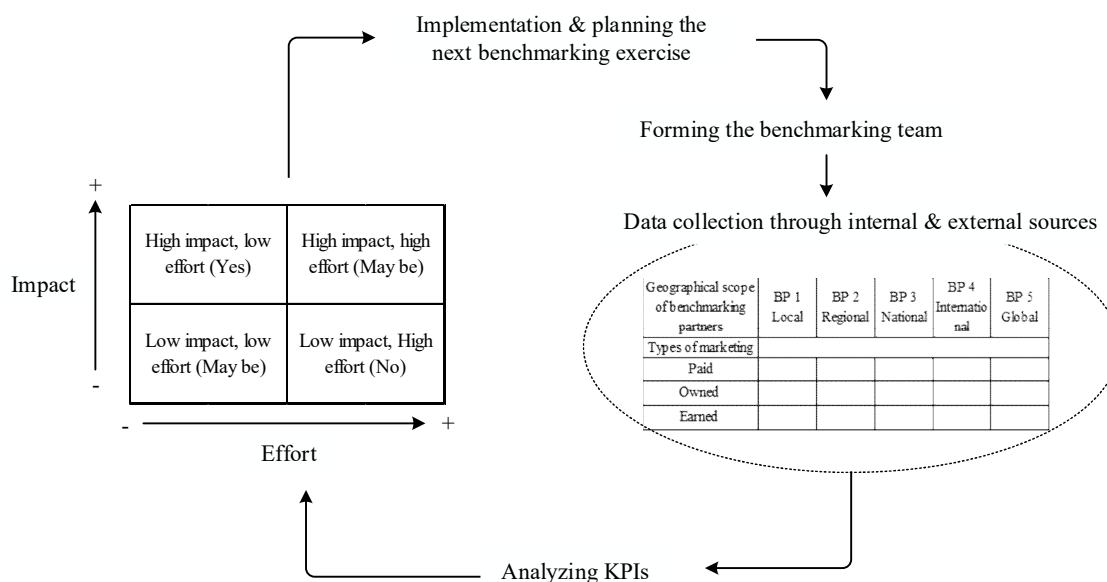
**Figure 30.** Data collection and KPIs analysis stage of benchmarking process.

In result adaptation and improvement stage, the most relevant marketing strategies for the benchmarker will be positioned based on their impact and required effort for implementation. The positioning will be conducted through impact versus effort matrix.



**Figure 31.** Performance benchmarking to online marketing routes.

In Figure 31, impact vs effort matrix is illustrated. Each quadrant of this matrix represents different impact-effort combination. In high impact-low effort quadrant, the most potential marketing strategies for the benchmarker will be placed. In high impact-low effort and low impact-high effort quadrant, the less potential strategies which are needed to investigate more, will be placed. Finally, in low impact-high effort quadrant, the least potential online marketing strategies for the benchmarker will be put in.

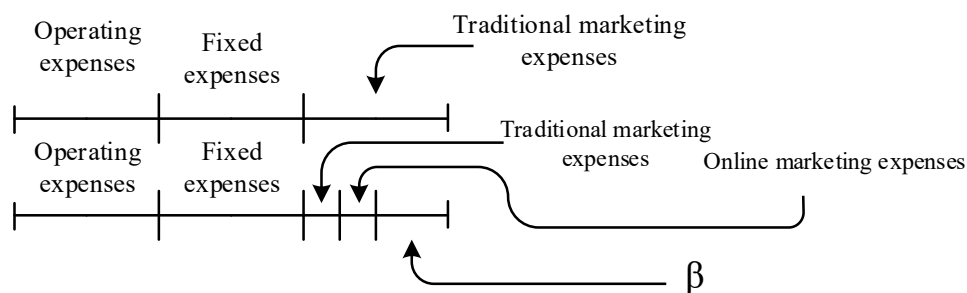


**Figure 32.** Strategic benchmarking methodology for online marketing routes.

In Figure 32, proposed benchmarking process is visualized with impact and effort matrix. The most potential marketing strategies in the high impact-low effort quadrant will be then implemented in result adaptation phase. Further benchmarking process could be performed in improvement phase with the most potential strategies or next benchmarking exercise could be planned according to necessity.

#### 4.4 Delivering value proposition by strategic benchmarking

This thesis emphasizes on delivering value to the target audience by using online marketing channel. Online marketing channel provides a wide range of scope to the sellers to explore different media, different types of marketing and various platforms to engage existing and new potential customers. Online media as a marketing tool is far more cost effective than traditional **outbound marketing**<sup>6</sup> instruments such as newspaper and TV adverts, billboards, and sponsorships. Small and medium sized enterprises do not have the kinds of funds at their disposal that big firms do to spend on traditional marketing. Online marketing channels provide an effective alternative to generate awareness and at the same time helps to reduce overall marketing cost.

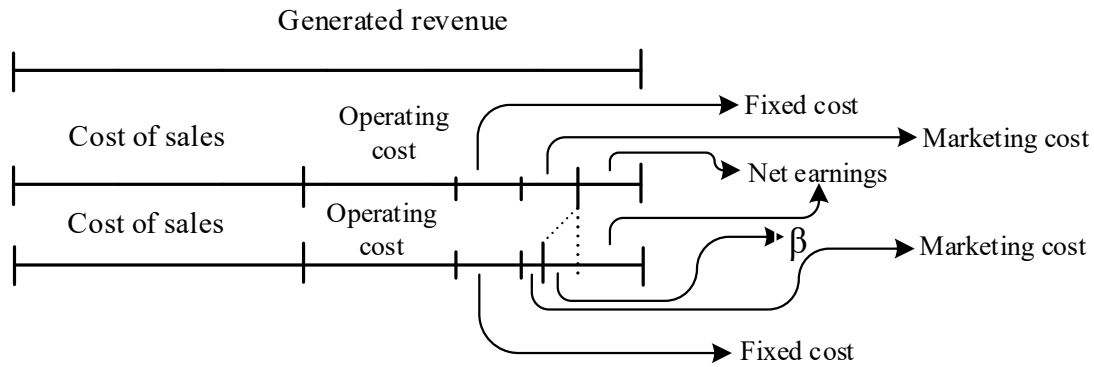


**Figure 33.** Introducing online marketing with traditional marketing strategies.

In Figure 33, a comparison between marketing expenses of an ordinary SME is illustrated. The figure represents the expense variation with or without online marketing. In this context, a typical SME expenses is divided into three major parts. They are operating expense, fixed expense, and marketing expense. With the help of online marketing and downsize the traditional marketing strategy, it is possible to reduce the overall marketing expense. The study proposes a framework for SMEs which would allow them to reduce their overall marketing expenses without getting rid of their traditional strategies. Here,  $\beta$  represents the savings in marketing expenses during the integration of online marketing strategy.

$\beta$  = Total marketing expenses with traditional marketing in month A - Total marketing expense with traditional and online marketing in month B. Month A represents preceding month and month B represents subsequent month.

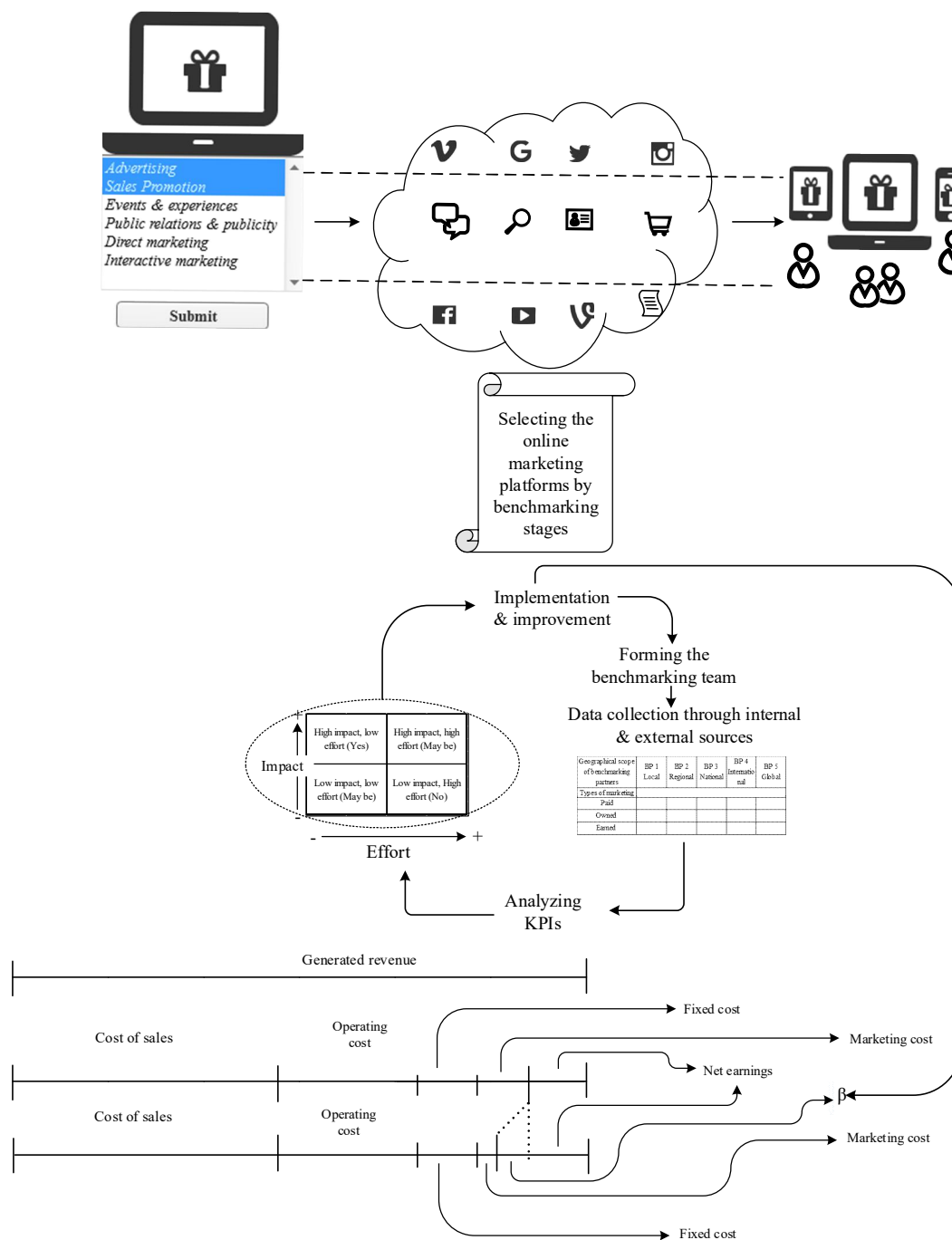




**Figure 34.** Cost savings with net earnings according to proposed marketing strategy.

In Figure 34, cost savings with net earnings (before the tax and depreciation) according to proposed marketing strategy is exhibited. With this new strategy, overall marketing cost would be reduced. As a matter of fact,  $\beta$  would help to increase the net earnings.

Each online marketing platform has its own distinctive target population, method of communicating with them, and timeline. Thus, depending on what the SME's objectives are, it would be prudent to segment the different marketing platform and use those that are more likely to yield results. For example, a social network like Facebook may be more suitable for engaging with customers for brand building, obtaining feedback on a proposed new idea, product or service in some timely manner. On the other hand, if a SME (a store or a restaurant) wishes to run an instant promotion, then a location-based mobile platform would be more appropriate. Likewise, monitoring the feed on Twitter could help a firm respond instantly to any potentially negative comments about its business.



**Figure 35.** Value proposition delivery framework by using strategic benchmarking for online marketing channels.

In Figure 35, a value proposition framework with strategic benchmarking model for SMEs is visualized. The main idea is to turn the complete strangers into new customers and promotes the business. With the help of this framework and online marketing platforms, SMEs could bring potential customers close to the business rather than putting effort to gain audience attention by traditional marketing techniques.

Due to the modern technological innovation, availability of internet, and high penetration of smart devices, customers has gained more power than ever either to accept or reject any marketing offers. Audience can get insight of marketing offers by asking peer review, comparing the offer with others, by checking the ratings about the product or service and interacting directly with the product owner or service provider.

The framework visualized in Figure 35, represents an engaging way with the audience through different online marketing platforms by reducing the overall marketing expenses. The SMEs which are focusing on traditional marketing strategies such as wall posters, flyers distribution, billboard ad or newspaper ad, could be benefitted from online marketing strategies. In this context, electronic media advertising such as TV commercials has ignored intentionally cause of excessive cost which might not cover the marketing budget of ordinary SMEs.

SMEs could use different communication tools such as advertising, sales promotion, create events for publicity as well as for public relation through these marketing platforms and could be benefitted from this framework. The framework does not propose to eradicate the entire existing marketing strategies completely. Rather, it recommends to downsize the existing traditional strategies and introduce most relevant online marketing strategies based on SMEs capacity and budget.

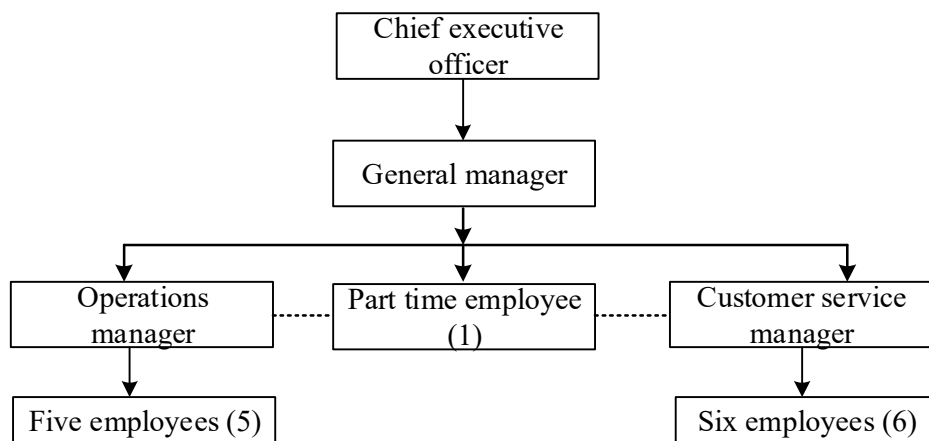
According to this framework, most relevant online marketing strategies will be positioned in high impact-low effort quadrant in impact vs effort matrix. Among those strategies, the most suitable strategy will be selected based on marketing budget and geographical scope, and popularity of marketing platforms.

## 5. THE CASE ENTERPRISE

### 5.1 Background of case enterprise

The case study was conducted in one of the privately owned small enterprises in Dhaka, Bangladesh. Dhaka, which is one of the most densely populated cities in the world, has a large number of privately owned small enterprises all around the city. Due to the large number of customer base, the number of enterprises are rapidly increasing.

The case company was founded in April, 2015 by an entrepreneur. The case company operates in restaurant business sector and specializes in traditional Bengali food. The company is located in the southern part of the city and surrounded by schools, public, and commercial organizations. The restaurant offers various type of services to their customers such as catering, table reservations, and home delivery. At the beginning, the enterprise was specialized for its *Shahi Bhoj* (a special traditional item serving for 2-4 persons) platter. Later, due to the increasing demand and popularity, the enterprise started to offer other traditional items. In addition to that, the enterprise had also included typical items in their menus which are served during breakfast, lunch and dinner time.



**Figure 36.** Organizational structure of the case enterprise.

In the above figure, the organizational structure of the enterprise is visualized. At present, the company has fifteen employees. In the lowest level of the hierarchy, there are employees for providing the top quality customer services and for assuring daily smooth operations. The employees usually work in shifts. At present, five employees are involved for restaurant operation and six employees provide the customer service. One manager is responsible for taking care of smooth daily operations and other one is responsible for assuring top quality customer services. The enterprise also has a part time marketing employee whose role is to follow the marketing trend, arrange online and offline marketing campaigns and response to

customer inquiry. General manager is in charge of all three departments and reports to the chief executive officer.

## 5.2 Cost structure of case enterprise

The cost structure of case enterprise is divided into three parts. The expenses are mainly occurred due to different daily operations, for publishing marketing materials, for promoting marketing campaigns and for some fixed amenities.

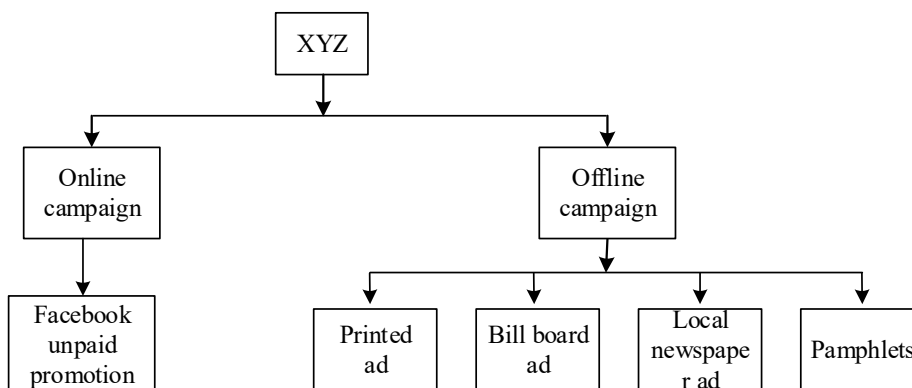
**Table 11.** *Income statement of case enterprise from July to October.*

Income Statement							
XXX Restaurant							
	July		August		September		October
Revenues	815285		849936		872657		893559
Cost of sales	209200		227000		222480		231760
Gross margin	606085		622936		650177		661799
Operating cost							
Salary and wages	258000		258000		258000		258000
Employee benefits	12900		12900		12900		12900
Miscellaneous operating expenses	25350		21000		21520		24540
Utility bills	39300		40000		44000		42500
Repair and maintenance	1500		5000		7500		2500
General & administrative	7000		5000		4200		5000
Total operating cost	384550		369400		375020		376440
Marketing cost							
Marketing campaigns	40500		27500		26900		31000
Fixed Cost							
Rent	70000		70000		70000		70000
Insurance	15000		15000		15000		15000
Bank Interest	10000		10000		10000		10000
Total fixed cost	95000		95000		95000		95000
Earnings before income taxes and depreciation	126535		158536		180157		190359

In Table 11, the income statement of case enterprise from month July to October is exhibited. In these four months, marketing costs were uneven. In July, cost went up to 40,500 BDT (506.25 \$). In August, cost was reduced to 27,500 BDT (343.75 \$) and in September, it was decreased even further; 26,900 BDT (336.25 \$). In October, marketing cost was relatively higher compared with previous two months.

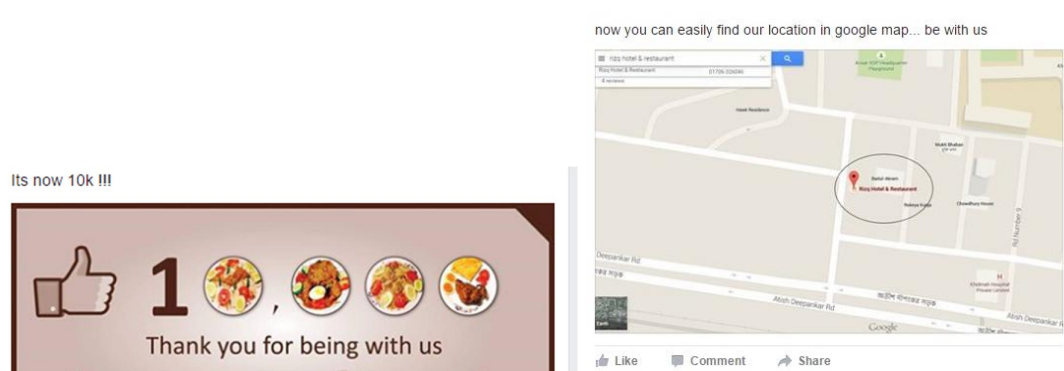
### 5.3 Existing marketing strategy

Before conducting the case study, the enterprise was heavily focused on traditional outbound marketing strategies. In order to identify the reason behind their traditional strategies, a query was performed with the SME and few other local SMEs. The result unfolded from the query was very interesting and need to address to emphasize the credibility of proposed framework. Despite of large number of internet users in Bangladesh, the impact of online marketing channel is underestimated. Most of the SMEs in restaurant business sector use the online marketing channel just for the sake of their online presence and brand awareness.



**Figure 37.** Existing marketing structure of case enterprise.

In Figure 37, the existing marketing structural diagram is illustrated of that enterprise. Their marketing structure is divided into two parts. One is for online marketing campaigns and the other one is for offline campaigns. Offline campaigns are promoted through traditional marketing techniques such as printed advert, billboard holding, advert in local newspaper from time to time, and pamphlets distribution. For online marketing campaigns, the case enterprise usually uses social media platforms such as Facebook.



**Figure 38.** Online presence of case enterprise in social media platform. (adopted from the enterprise's Facebook page)

Two of the images of case enterprise which were adopted from social media platform, are displayed in Figure 38. The left image indicates the total number of likes of their Facebook

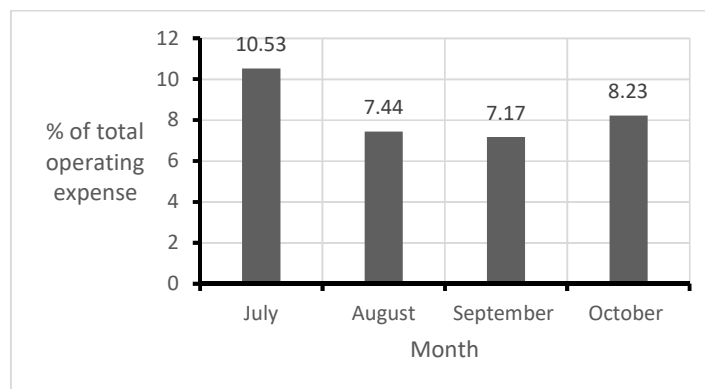
page before the study was conducted. The image was posted on their Facebook page on November 4<sup>th</sup>, 2015, approximately a year before the case study. The image also indicates, the enterprise has a decent number of online audience and followers in online marketing's perspective. The other image refers their business location through Google map.

Although, the case enterprise has a decent audience and followers in Facebook, they heavily relied on traditional marketing techniques. In previous months the company invested primarily in offline marketing campaigns. The campaigns were consisting of various print advertisements including wall posters, small size billboard holding in different locations, advertisement in local newspaper, and advertising through pamphlets distribution. In the following table, cost structure from month July to October of offline marketing campaigns is illustrated.

**Table 12.** *Cost structure of offline marketing campaigns in different months.*

Types of offline marketing campaigns	Month			
	July	August	September	October
Print advertisement	12000	4000	0	8000
Billboard ad	20000	0	0	14000
Local newspaper ad	8500	12200	17500	9000
Pamphlets	0	11300	9400	0
total	40500	27500	26900	31000
% of operating expense	10.53	7.44	7.17	8.23
% of change in total marketing expense		-0.293	-0.036	0.147

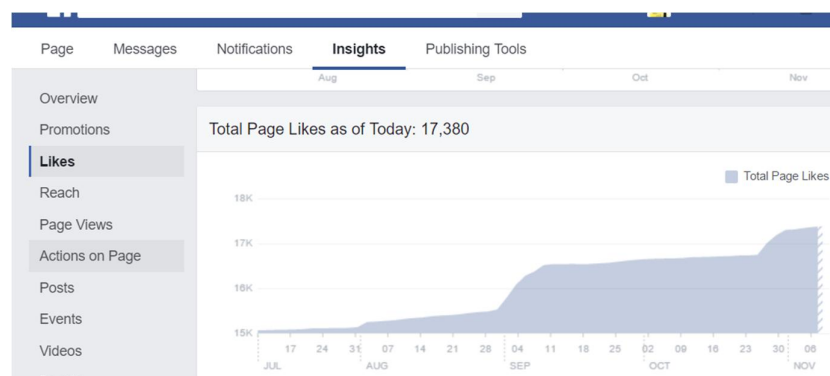
According to the table, in July, the company invested total of 40,500 BDT (approx. 506.25 \$) in different marketing campaigns. The costs were consisting of printing different sizes of wall posters, billboard holding for 14 days in a commercial location, and advertisement in a local newspaper. In August, the company decided to invest more on newspaper ad, and introduced pamphlets distribution in their campaign. In September, the marketing expenses were almost identical with previous month and total expense was 26,900 BDT (approx. 336.25 \$). In October, the company spent again on billboard holding and wall posters printing. This time they reduced the number of adverts in local newspaper and excluded pamphlets marketing. The total cost was 31,000 BDT (approx. 387.5 \$) and .139% more compared to September's expenses.



**Figure 39.** Marketing expense compared to total operating expense in different months.

In the above figure, percentage of offline marketing expense was compared with total operating expense in different months. In July, the total marketing expense was 40,500 BDT which was 9.49% of total operating expense. In August, the expense dropped down to .31% and it was 6.54% of total operating expense. In September, the marketing expenses were dropped again and down to .032% compared to August. In October, the company decided to enhanced their marketing campaigns again and simultaneously the expenses were also increased. They spent 31,000 BDT which was the second highest in previous four months and 7.21% in terms of total operating expense.

As it was mentioned previously, the company primarily focused on offline marketing, although, they have relevant presence in online marketing campaigns during these four months' period. The following performance indicators are taken into consideration for evaluating the online presence of the case company in different platforms.



**Figure 40.** Total number of likes in Facebook page (adopted from the Facebook page of case enterprise).

Figure 40 was captured on November 6<sup>th</sup>, 2016 at 15:00 Pacific Standard time (PST) from the case enterprise's Facebook page. It shows the total number of Facebook page likes. The image also indicates the number of like increased gradually from early July to November 6<sup>th</sup>. In early July the total number of like was just above 15K which reached over 17K until November 6.





**Figure 41.** Post reach to target audience from early July to early November (adopted from the Facebook page of case enterprise).

Figure 41 was captured on November 6<sup>th</sup>, 2016 at 15:00 Pacific Standard time (PST). It displays how their posts behave to target audience. It is obvious from the above image that the posts which reached to target audience naturally or in an organic way was very insignificant. Moreover, some posts reached to over 15K audience because of paid marketing promotion. This indicates how online community could be enlarged through paid marketing promotion.

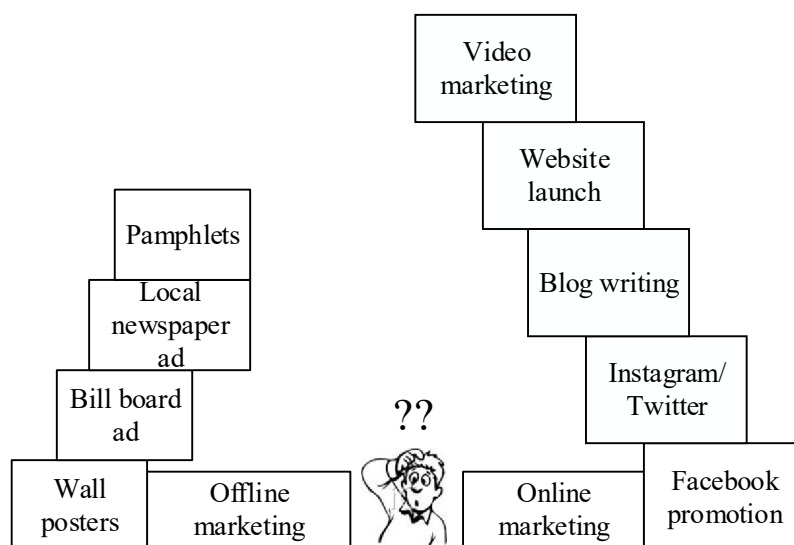


**Figure 42.** Facebook page ratings based on customer reviews (adopted from the Facebook page of case enterprise).

Figure 42 was captured on November 6<sup>th</sup>, 2016 at 15:00 Pacific Standard time (PST). The image refers audience rating based on their experiences. Out of total one hundred and thirty-nine reviews, sixty-nine customer rated their service as five stars and thirty-five customers rated as four starts. It is important to mention that reviews were counted not for a fixed time frame. All the reviews from the beginning till that capturing time were considered in that context. The image also illustrates how customers were engaged with the business through online marketing channel. It is important to address that besides Facebook presence, the enterprise does not have any other platform to communicate with their customer and target audience.

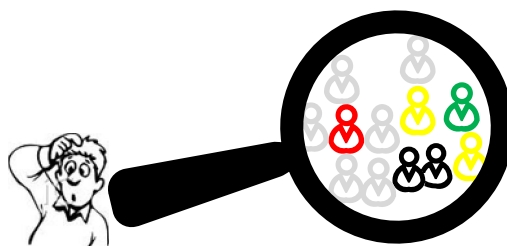
## 5.4 Problem identification

According to the cost structure described in section 5.2, the earnings before tax and depreciation of case enterprise fluctuate, although, the enterprise had been investing more money on marketing. Another statistic exhibited in Figure 39 indicates, over 7% of total operating expenses was spent on different types of marketing communications in the month between July to October. However, the fluctuation of marketing expenses in those months did not make a decent impact on net earnings. Moreover, the enterprise continuously changed their offline marketing techniques which proves the instability of their offline marketing materials and deficiency of sticking on a complete marketing strategy. Figure 43 shows one of the ongoing problems of case enterprise.



**Figure 43.** *Lacking of a complete marketing strategy.*

The case enterprise was mainly focusing on wall posters, billboard holding, local newspaper advert and pamphlets for their marketing promotions. They also have a Facebook page where they post their promotional offers and communicate with their customers. Besides Facebook, the enterprise does not use any other online marketing platforms. On contrary, their competitors are trying to optimize different platforms which has created an insecurity of losing the grips over their customers.



**Figure 44.** Difficulty to find right target audience.

Another problem for the enterprise in previous months was how to reach to target audience for their products and promotional offers. Since the city is densely populated, it is very difficult to reach to right target audience intended for the purpose. According to the CEO's view of reaching to target audience,

*"In this megacity people are viewing different types of adverts now and then. The business domain is covered with billboards, wall posters, wall painting, newspaper ads and Facebook posts. How do we attract our target audience? How do we stand out from the crowd?"*

During the Skype meeting, the CEO also mentioned one major concern regarding the selection of online marketing strategy. The enterprise does not have the luxury to spend a lot of money on different online marketing platforms and moreover, it is still struggling to establish feet on the market. Therefore, the enterprise cannot afford drastic changes on total revenue. According to CEO's opinion,

*"It is not possible for us to try online and offline marketing platforms at a time with our monthly budget. What would happen if we stick on either one of these? How much impact it would make on revenue?"*

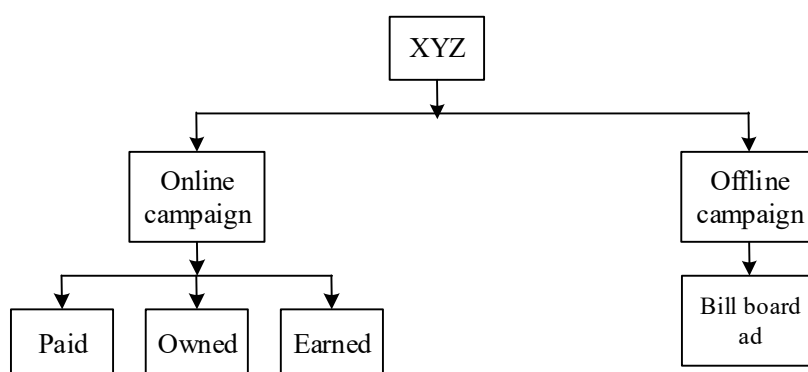
Based on the discussion above, the problems of case enterprise are listed below.

- Lack of having a complete marketing strategy,
- not able to reach and attract right audience group for the intended values, and
- limited budget for marketing platforms.

## 6. MARKETING PLATFORMS BENCHMARKING

### 6.1 Idea generation

The study proposes a new marketing structure for the enterprise which includes traditional marketing and online marketing to resolve the difficulties and improve the situation. According to the new marketing structure, online marketing campaigns are extended into owned and earned media, which was previously only paid media. Traditional marketing techniques were proposed to downsize and among the previous traditional marketing techniques, most effective techniques were suggested to consider. In Figure 45, the new marketing structure for the enterprise is illustrated.



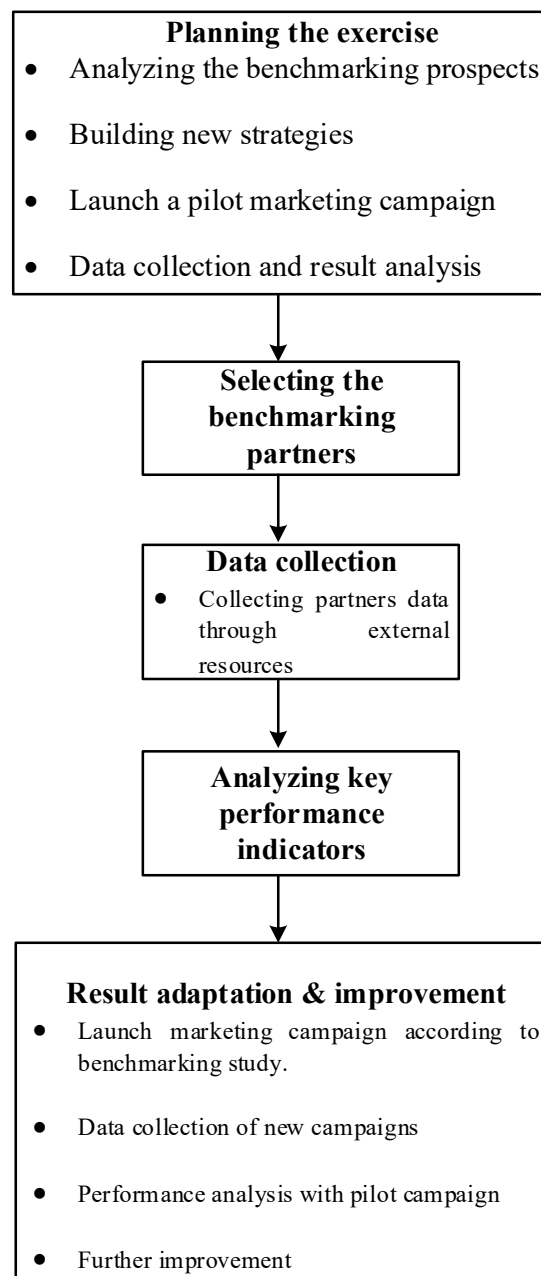
**Figure 45.** Proposed traditional and online marketing structure diagram.

According to the figure exhibited above, it is obvious with that proposed marketing structure, the case enterprise could focus more on online campaigns and less attention will be needed for offline campaigns or traditional marketing techniques. The structure proposes paid, earned and owned media marketing strategy for their online campaigns. For paid media marketing, the enterprise is already using the social media platform. The paid media marketing could be extended into other social media platforms besides the one they are using. The structure also proposes to establish an owned media platform particularly for the business. Finally, the structure suggests to adopt strategies for their earned media marketing which could be utilized through their owned media platform.

In contrary, the structure proposes to downsize traditional techniques and to consider the most effective one. In this particular context, billboard holding was considered the most effective one for the enterprise. Other marketing techniques such as newspaper advert, pamphlets distribution or wall posters are neglected due to excessive costs and distribution hassles.

## 6.2 Idea development and testing the idea

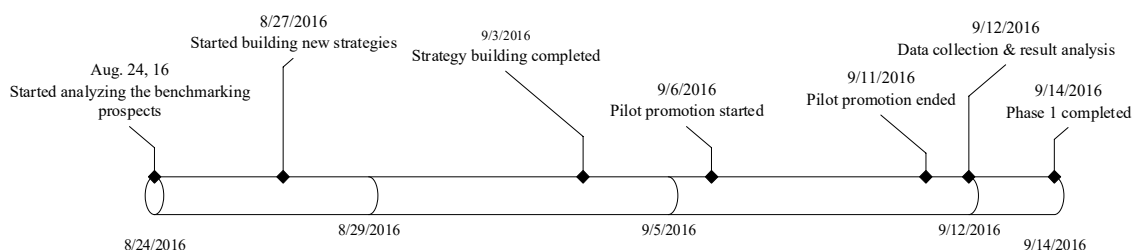
The next stage was idea development and testing the idea with different benchmarking partners for implementing the proposed marketing structure. The entire development and testing process was divided into five phases according to Matters & Evans (1997) benchmarking process model.



**Figure 46.** *Idea development and testing phases.*

In Figure 46, the idea development and testing phases are illustrated. In planning the exercise phase, four activities were included. Those are: analyzing the benchmarking prospects in this case enterprise's context, building new strategies for new target audiences and marketing channels, launching a pilot marketing campaign and, collecting data from the pilot campaign and analyzing the result.

The first phase, planning the exercise, was started on August 24, 2016 and ended on September 14, 2016. During this period, four activities were completed. In Figure 47, planning the exercise phase timeline is displayed.



**Figure 47.** *Planning the exercise phase timeline.*

The first activity started on August 24, 2016 with analysis of benchmarking prospects. On 27<sup>th</sup> of that month, new strategies were started to build. On 30<sup>th</sup> of August, the case enterprise came up with new target audience strategies and marketing channel strategies. Based on their new strategies, pilot marketing campaign in Facebook was first launched on September 6<sup>th</sup> and it ended on September 11. Data collection from Facebook dashboard was started on September 12 and then in next few days, case enterprise came up with a result according to the data analysis. The first phase completed on September 14, 2016.

At first, benchmarking prospects were analyzed in case enterprise's context. The enterprise is located in the southern part of Dhaka city and surrounded by other small and medium sized enterprises. In contrary, Bangladeshi traditional cuisine is very popular in other continents and in some multicultural big cities, Bangladeshi medium and large food enterprises have a good reputation of serving mouth-watering traditional items to their customers. Since, most of the food enterprises are exploring the field of online marketing more or less, benchmarking process would be a good ground to test the proposed marketing structure.

Then, new strategies were formed for new target audience and for the marketing channel. These new strategies include a business strategy, different aged group target audience strategy and marketing strategy for communicating with their new target audience.

**Table 13.** *Building a new business strategy for the enterprise.*

Name of the SME	XXX Restaurant	
Mission statement	To provide traditional Bengali cuisine in an affordable price	
Objectives	Objective 1	Objective 2
	To sell traditional Bengali cuisine	Price is affordable
Value proposition	Opportunity to taste authentic Bengali cuisine	Customized menu, set menu and convenient for groups.
Elevator pitch	A restaurant for traditional dine with budget	

In above Table 13, business strategy of the enterprise is described. The mission statement of the enterprise is to provide traditional Bengali cuisine to their customers in an affordable price. The case enterprise identified two objectives for that particular purpose. One is to offer traditional Bengali cuisine which is losing its appeal to the entrepreneurs' day by day, to their customers specially to millennials. The other one is to offer the traditional items in an affordable price, since the prices of traditional Bengali cuisine in other restaurants are not affordable to all type of customers. The enterprise has set two value propositions in order to achieve their goals. One, their customers could taste the authentic traditional cuisine which they do not get in nearby restaurants. And the other one is, they have the opportunity to pick their own customized menu from a wide range of items according to their choice and budget. Their elevator pitch is

*“A restaurant for traditional dine with budget”*

The enterprise has established a new audience strategy to reach to their target audience. According to new audience strategy, the case enterprise has divided the audience into three separate groups. In Table 14, the new audience strategy is depicted.

**Table 14.** *New audience strategy for the target audience.*

Mission statement	To provide traditional Bengali cuisine in an affordable price		
Audience type	New target audience		
	age group: 15-17; audience interested in low ranged price menu	Age group: 25-30; audience interested in cost effective lunch menu	Housewives; women, interested in traditional recipes
Audience goals	hang out with friends	Try different lunch menu	Tasting different items and prepare them at home
Marketing type	Facebook, Instagram, YouTube	Pinterest, Facebook, search, social blogs	Search, Facebook, website, recipe related blogs

First group consists with 15-17-year-old students; the group belongs to millennials. This type of audience likes to spend more time with their friends and mates in restaurants or cafes. Social media platforms such as Facebook and Instagram will be used to attract this type of audience. Second group consists with 25-30-year old men and women, those who are interested in cost effective lunch menu at office. For them, Facebook, Pinterest, social blogs, and search engine marketing could be exploited. Finally, third group consists with housewives, women who are mainly interested in traditional food recipes. For this particular group, Facebook and recipe related blogs will be leveraged to gain the maximum output.

Next, the enterprise has set a marketing strategy for three individual audience types based on their interests. For the first target group, the enterprise has decided to sell set menus which offer traditional items with an affordable price. In Table 15, marketing strategy for the first target group is described.

**Table 15.** *Marketing strategy for first target group.*

Audience type	age group: 15-17; interested in low ranged price menu	
Business goals	Sell set menus to the target audience	
Marketing platforms	Facebook	Instagram
Paid media	Ads for set menu	Ads for set menu
Earned media	Create a viral campaign	N/A
Owened media	Post 1x a day on different set menus	Post 2x a day on different set menus

As it was mentioned before, social media platforms such as Facebook and Instagram will be exploited to attract young customers. For paid media marketing, different campaigns will be run in Facebook and Instagram. For earned media, the enterprise will initiate a viral campaign in Facebook. Finally, for owned media, lucrative images will be posted in Facebook and Instagram with different set menus one times per day and two times per day respectively.

In Table 16, marketing strategy for second target group is exhibited. This group of audience is mainly interested in cost effective lunch menus. This group of audience is mainly working class men and women who like to have lunch at their own office or in restaurants and to taste different items with a reasonable price. Taking this fact into consideration and to convert this audience into new customers, the enterprise introduced an offer in which customers can set their own menu every day from a wide range of traditional items.

**Table 16.** *Marketing strategy for second target group.*

Audience type	age group: 25-30; interested in cost effective lunch menu		
Business goals	Sell customized menus to the target audience		
Marketing platforms	Facebook	Instagram	Social blogs
Paid media	Ads for customized menu	Ads for customized menu	N/A



Earned media	Create a viral campaign	N/A	share links & encourage comments
Owned media	Post 5x a week on different customized menus	Post 1x a day on different set menus	Create a blog article 1X a week

To leverage the online marketing efforts, the enterprise decided to go with Facebook, Instagram and social blog as their platforms. Facebook and Instagram will be used for paid media marketing where adverts for customized menu will be posted. For earned media, a viral campaign will be initiated in Facebook with customized menu posts and images. The link of those campaign posts will also be shared in social blogs to encourage the audience. For owned media marketing, Facebook, Instagram and social blogs will be used. An image which would consist with different traditional items will be posted five times a week, and one time a day in Facebook and Instagram respectively. The enterprise has also decided to write an article in their own blog one time a week and share that link in their Facebook page for owned media marketing.

For the third and final audience group, the enterprise decided to exploit food and recipe blog websites to attract housewives and women; those who interested in traditional Bengali food recipes. The main goal for this group of audience to drive their attention from food and recipe blog websites to the enterprise's Facebook page.

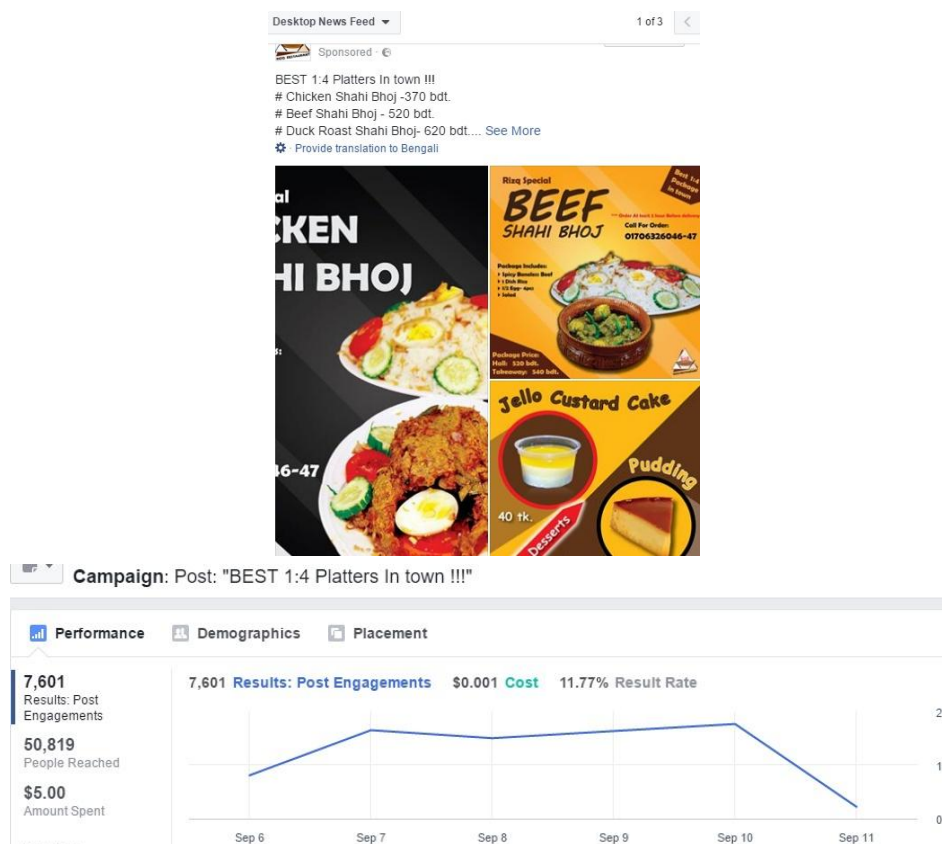
**Table 17.** *Marketing strategy for third target group.*

Audience type	Housewives; women, interested in traditional recipes
Business goals	Drive traffic to the Facebook page
Marketing platforms	Recipe blog websites
Paid media	Sponsored blog listing on one recipe blog website
Earned media	Encourage to suggest different items and recipe
Owned media	Create a blog article with in house recipe 1X 2 weeks

In Table 17, marketing strategy for third target audience group is described. In order to drive traffic from food and recipe blog website to Facebook page, all three medias will be utilized. For paid media marketing, the enterprise's own blog will be listed in a reputed food and recipe blog website; for earned media, audience will be encouraged to share their thoughts, and to suggest different traditional items they would like to taste. Finally, for owned media, the enterprise has decided to create a blog with in house recipes on that particular website with a frequency of one time in two weeks.

The third activity in this phase was to initiate a pilot promotional campaign with their new business, audience and marketing strategy in Facebook and Instagram before adopting the proposed strategic benchmarking value proposition framework. The promotional campaign

started on September 6, 2016 and ended on September 11, 2016. The total budget of that campaign was five USD which was equivalent to 400 BDT. The campaign consisted with one ad set and one ad was included on that particular ad set. In Figure 48, pilot campaign advert and advert responses are visualized.



**Figure 48.** Pilot campaign results before benchmarking. (Adopted from the case enterprise's Facebook page).

According to the campaign result, the post reached to 50, 819 people and post engagement was 7,601 which means 7,601 times the advert achieved an outcome. The total amount was spent for the campaign was five USD and cost per engagement or action was,

$$CPA^7 = 5 \div 7601 = 0.000657 = 0.001 \text{ USD}$$

Figure 49 represents the total number of men and women who were involved with post engagement for that pilot campaign. It is obvious from the figure that age group 18-24-year old men were mostly interacted with the advert. On the other hand, the advert reached to 18-24-year old women mostly, however, the number of post engagement was less than the number of post reach for that age group.

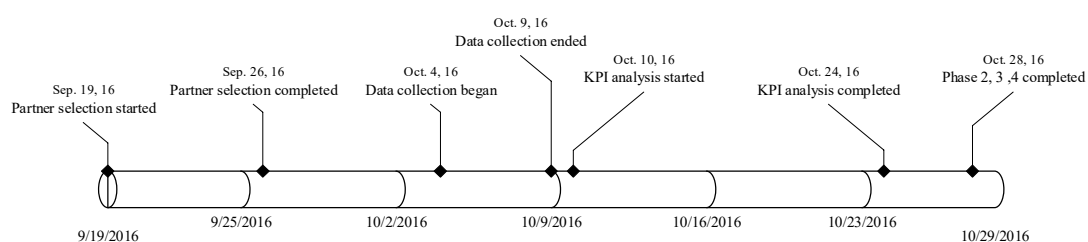


**Figure 49.** Post reach and post engagement to different age group of men & women  
(Adopted from the case enterprise's Facebook page).

It is also clear from the above image that the pilot campaign failed to draw attention to 25-34-year aged women group. As a matter of fact, this failure made a huge impact on overall post reach and post engagement of the campaign. Only 3% (250) women of aged group 25-34 responded to the advert whereas, 26% (1,978) men of that same aged group responded to the advert.

### 6.3 Strategic Benchmarking with partners

After the completion of pilot promotional campaign, the next phase was to select the benchmarking partners. In this section, second, third and fourth phases are combined in order to simplify the benchmarking process. The second phase started on 19<sup>th</sup> of September, 2016 with selecting the benchmarking partners.



**Figure 50.** Second, third and fourth phase timeline.

In Figure 50, second, third and fourth phase timeline is displayed. The second phase ended on September 26. Data collection phase was started on October 4 and it ended on October 9. Between October 10 to October 24, key performance indicator (KPI) analysis was performed. Phase four was accomplished on October 28, 2016.

According to strategic benchmarking model, four partners were selected in the second phase. It is important to mention that different criteria were considered during the selection process and all four partners are operating in the same business sector. They are all specialized in traditional Bengali cuisine. These benchmarking partners are four well known restaurants represent local, regional, international and global organization in restaurant and catering service industry according to strategic benchmarking model. From this point of the thesis, these

selected partner organizations will be renamed as benchmarking partner restaurants. A brief description of all benchmarking partners are given below.

1. Fakruddin restaurant: A Bengali restaurant which has an international recognition. The restaurant was established in 1966 at Dhaka by the master chef Fakruddin. This restaurant is famous for its traditional *Katchi Biryani* and has branches in all major cities in Bangladesh. The restaurant has established their foot not only in Bangladesh but also has expanded around the world with a promising service. As a part of global operation, the restaurant has already set their presence in Singapore, Australia, Dubai, London, Malaysia, USA and Canada. In this benchmarking study, the restaurant is selected as a global benchmarking partner.



**Figure 51.** *Fakruddin restaurant (adopted from fakruddin.com website).*

2. Cilantro Bangladeshi Bistro: A family owned restaurant opened in April 13, 2013. The restaurant is situated in Norfolk, Virginia, USA. This restaurant is extremely popular for their traditional Bengali cuisine and received many positive reviews at Yelp and in Facebook. This one is chosen as an international benchmarking partner.



**Figure 52.** Cilantro Bangladeshi Bistro (adopted from yelp.com).

3. Chittagong Restaurant: A very popular restaurant in Dhaka established in May, 2014. This restaurant is extremely famous for its traditional item named *Mezbani gosht*. This restaurant is selected as a regional benchmarking partner.



**Figure 53.** Chittagong express restaurant (adopted from their Facebook page).

4. Alkaderia restaurant: This is one of the popular restaurants in Dhaka served traditional and modern Bengali cuisine to their customers. It was established in January, 1993. This restaurant is selected as a local benchmarking partner for the case study.



**Figure 54.** AlKaderia restaurant (adopted from their Facebook page).

The above four partners are selected for strategic benchmarking process. Several factors were considered during the benchmarking partner selection process. Among them, most important factors were owned media marketing platforms such as own website and platform's visual characteristics, online presence of partners in social media platforms and, owned media performance analysis metrics. The analysis metrics are consisted with available earned media marketing platforms such as

- mention in other well known blogs or websites,
- number of followers or page likes in different social media platforms and their post frequency,
- word of mouth platforms such as trip advisor or yelp, and
- **search engine optimization<sup>8</sup>** ratings.

The following table describes various features of benchmarking partners' online presence and marketing strategies.

**Table 18.** *Benchmarking partners' online presence and marketing strategies.*

Online marketing features	BP 1(local) Alkaderia restaurant	BP 2 (regional) Chittagong express restaurant	BP 3 (international) Cilantro Bangladeshi Bistro	BP 4 (Global) Fakhruddin restaurant
Owned media marketing platforms and characteristics				
Own Website	Yes	No	Yes, only for menus	Yes
Type of website content	Dynamic	NA	NA	Dynamic
Responsive navigation bar	Yes	NA	NA	Yes
Online order option	No	NA	Yes	No
Link to social media platforms	Yes, however does not work	NA	NA	Yes
Contact form	Yes	NA	NA	No
Own blog	No	No	No	No
Social media presence (own account)				
Facebook	Yes	Yes	Yes	Yes
Instagram	No	No	Yes	No
You Tube	No	No	No	Yes
Twitter	No	No	Yes	No
Google plus	No	No	Yes	Yes
Pinterest	No	No	No	No
Vimeo	No	No	No	No
Vine	No	No	Yes	No
Earned media marketing performance analysis metrics				
Total Facebook page like	9,161	56,029	2,082	35, 166
Facebook post frequency	1-3 times in a month	20-22 times in a month	10-15 times in a month	4-5 times in a month
Total Instagram followers	NA	NA	400	NA
Instagram post frequency	NA	NA	2-3 times in a month	NA
Total You Tube page subscriber	NA	NA	NA	1,881
Number of video shared	NA	NA	3	3

Total Twitter followers	NA	NA	244	NA
Twitter post frequency	NA	NA	2-3 times in a month	NA
Google plus/Pinterest/Vimeo/Vine followers/pins/loops	NA	NA	G+ followers: 15; Pins:9 Loops: 31	G+ followers:18
Mentions in third party blogs and websites	Yes	Yes	Yes	Yes
Word of mouth (trip advisor/Yelp)	No	trip advisor, 22 reviews	trip advisor: 66 reviews, certificate of excellence; Yelp: 265 reviews	Trip advisor: 54 reviews
SEO rating	Very very high	Very high	Very high	High

The above table describes benchmarking partners' owned media marketing platforms and platform characteristics, their social media presence, and earned media marketing performance analysis metrics. These are key performance indicators (KPIs) for partners' online presence and marketing strategies. In the fourth phase, these KPIs were analyzed.

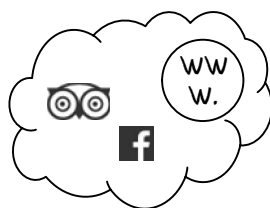
The first benchmarking partner, Alkaderia restaurant, have their own website. The website contains dynamic contents and responsive navigation bar. Moreover, the website has a contact form for communicating with their customer. However, the partner does not have any social media account except Facebook. They have over 9K page likes in Facebook although, their post frequency is very low. In terms of SEO rating, the partner has maintained tremendous performance.

The second benchmarking partner, does not even have their own website and other social media accounts except Facebook. The partner has over 56K Facebook page likes and their post frequency is 20-22 times in a month. The partner restaurant has included their business in trip advisor and it has 22 reviews on the time of data collection. The partner does have a very high SEO rating.

The third benchmarking partner, which is operating in Norfolk, Virginia have their own website only for the menus. Among the benchmarking partners, only they have online order options in their website. The partner does maintain their social media presence in different platforms such as Facebook, Instagram, Twitter, Google Plus and Vine. Surprisingly, the partner has over 2K Facebook page likes which is the lowest among the partners. Their post frequency is 10-15 times in a month. The partner has received certificate of excellence in trip advisor and 66 people

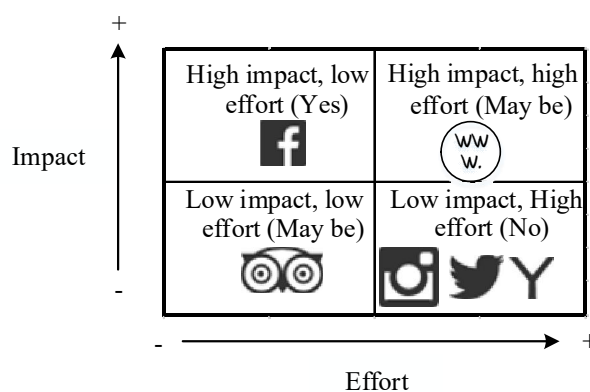
have reviewed their business until the time of data collection. The partner also received 265 reviews in Yelp. They also have a very high SEO rating.

The final partner, which has a global operation, does have their own website. The website contains dynamic contents, responsive navigation bar and it is linked to their social media platforms. In spite of having a global operation, the partner does not have online order option and contact form on their website. The partner does have their own account on Facebook, You Tube, and Google Plus. It is important to mention, among the partners, only they have their own account in You Tube. The partner has over 35K Facebook page likes and their post frequency is 4-5 times in a month. The restaurant has received 54 reviews on the time of data collection and has a high SEO rating.



**Figure 55.** Common marketing platforms for all partners.

Figure 55 represents common marketing platforms in terms of online communication for all the benchmarking partners. All the partners are using Facebook as a social media marketing platform. They all have a decent number of page likes for their business page and they all update their page in a regular interval. Three out of four partners have their own website which represents the significant value of a website in online communication. Finally, three partners have established their business in trip advisor and received a number of reviews from their customers which prove the importance of having an earned marketing platform.



**Figure 56.** Marketing platforms according to impact vs effort matrix.

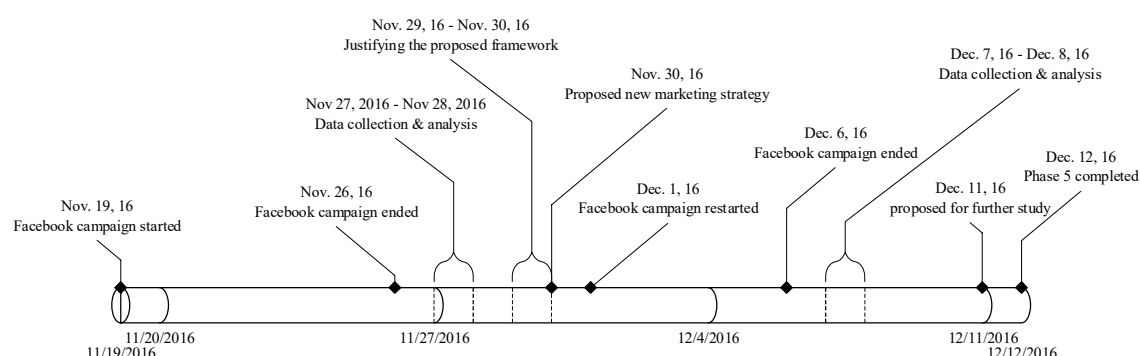
In Figure 56, marketing platforms are positioned according to impact vs effort matrix. Among all the marketing platforms identified from the benchmarking study, marketing in Facebook requires least effort to implement, although Facebook has a very high impact in terms of social



media presence. A website has a high impact on business, however, it requires high effort to implement marketing strategies on a website. Trip advisor does not require much effort and it has also low impact. Instagram, Twitter, and Yelp require high effort to implement successfully especially in Bangladesh's perspective and their impact does not look very promising on food and catering service business context.

## 6.4 Delivering value proposition by strategic benchmarking

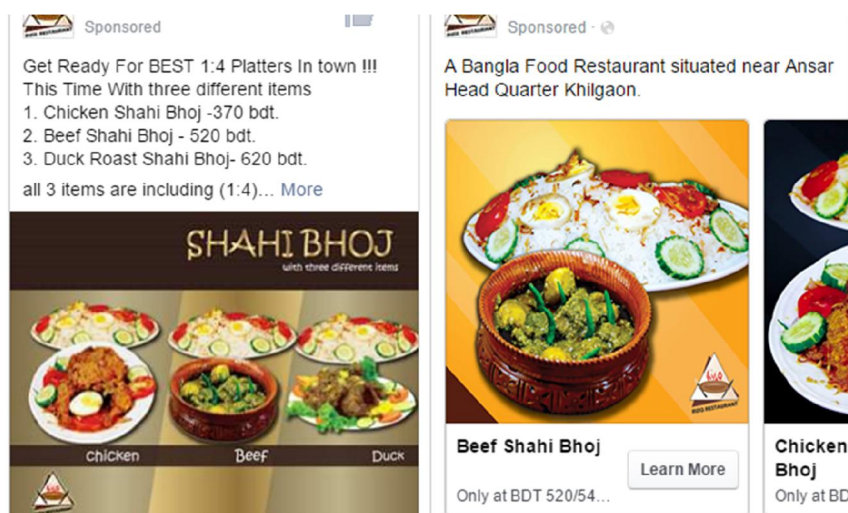
This section refers to the fifth and final phase of strategic benchmarking model. In this phase, a new marketing campaign was launched according to the benchmarking study. Then, collected data was analyzed with previous marketing campaign. At the end, new marketing strategy was proposed for further benchmarking studies.



*Figure 57. Fifth phase timeline.*

The final phase started on November 19, 2016, with a Facebook promotional campaign. The campaign ended on November 26. In next two days, data was collected from the campaign and was analyzed based on different performance metrics. Then, the proposed framework was justified based on data analysis. On November 30<sup>th</sup>, a new marketing strategy is proposed for the enterprise. Further benchmarking study was initiated in Facebook from December 1 based on proposed strategy and the study ended on December 6<sup>th</sup>. On December 7 and 8, data collection and analysis part was completed. All the activities in phase 5 were officially completed on December 12.

According to the benchmarking study, the enterprise decided to move forward with Facebook at first. On November 19<sup>th</sup>, a Facebook campaign was launched with two different sets of an advert. One was with a single image and the other one was with multiple images, known as carousel add.



**Figure 58.** First promotional campaign in Facebook (adopted from enterprise's Facebook page).

In Figure 58, two ad sets of case enterprise are displayed. Both ad sets were delivered at the same time in order to compare different performance metrics. The results obtained from the campaign are displayed in following figures.

Summary					Performance			
<input type="checkbox"/>	Ad Set Name		Status	Delivery	Results	Cost	Reach	Impressions
<input type="checkbox"/>	Ad set with one image			Completed	5,540 Estimated Ad Recall Lift	\$0.00 Per Estimated Ad	74,272	111,014
<input type="checkbox"/>	AD set with multiple image			Completed	6,660 Estimated Ad Recall Lift	\$0.00 Per Estimated Ad	92,592	153,463

**Figure 59.** Performance comparison between two ad sets (adopted from enterprise's Facebook page).

Figure 59 represents a performance comparison between two different ad sets. The ad with one image reached to 74, 272 people whereas carousel ad reached to 92, 592 people. The carousel ad had received also higher **impressions**<sup>9</sup> than the single image ad. This comparison proves carousel ad had performed better than the traditional single image ad.



**Figure 60.** Promotion result after benchmarking study (adopted from enterprise's Facebook page).

Figure 60 displays overall performance of first marketing campaign. The campaign resulted in 10,300 **Ad Recall lift**<sup>10</sup>, and reached to 132,480 people by spending only USD 14.75 or BDT 1180. The cost per action (CPA) for this campaign was,

$$CPA = 14.75 \div 10,300 = .00143 = .001USD$$



**Figure 61.** Post reach & post engagement with different aged group of men and women (adopted from case enterprise's Facebook page).

The Figure 61 in above, represents the total number of men and women who were involved with **post engagement**<sup>11</sup> for that second campaign. The figure refers clearly that again, 18-24-year aged group men were mostly involved with the advert. On the other hand, the advert reached to 18-24-year aged women mostly, however, this time the number of post engagement was higher than the number of post reach for that aged group. On contrary, the number of post engagement for the age group of 18-24-year men was lower than the number of post reach.

With online marketing platforms, the enterprise succeeded to reach and attract their intended audience group for the promotional offer. According to statistics extracted from Facebook, Table 19 represents a comparison of post reach and Ad Recall lift between different age groups.

**Table 19.** Comparison of post reach and Ad Recall lift between different aged group.

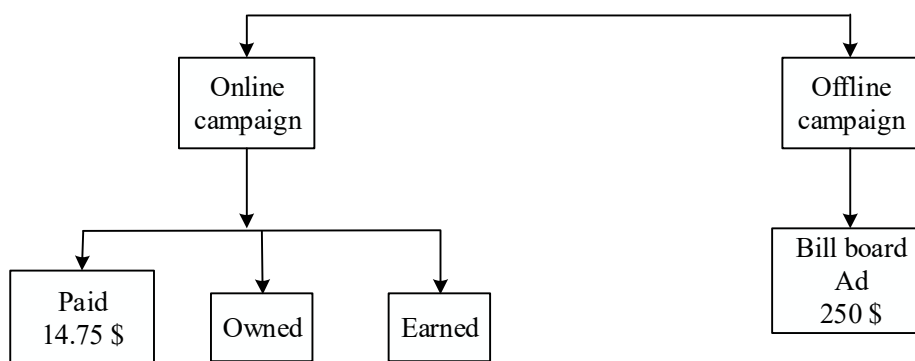
Campaign	Age group	Post reach	Ad Recall lift
Promotional campaign		Out of 87%	Out of 84%
	18-24; men	37% (48,416)	35% (3,640)
	25-34; men	38% (50,976)	38% (3,900)
		Out of 13%	Out of 16%
	18-24; women	9% (12,576))	11% (1,160)
	25-34; women	3% (3,840)	3% (330)

Table 19 clearly exhibits that the promotional campaign advert reached to 87% of men which covers a large portion of intended audience group, 15-17 year aged male students and 25-30 year aged men. On the other hand, the advert reached to only 13 % of women which includes 9% 18-24 year aged and 25-34 year aged women.

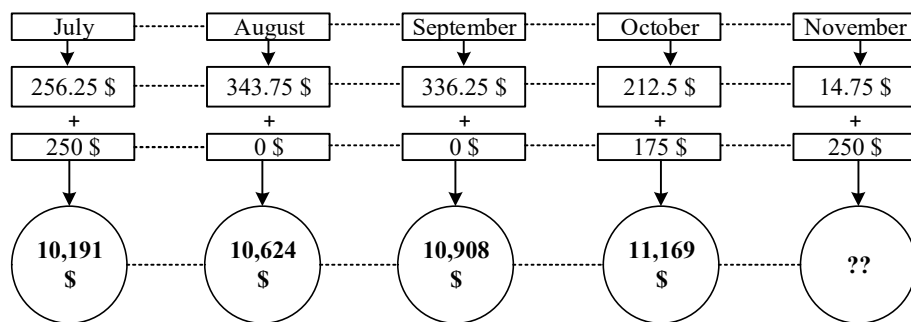
**Table 20.** Performance metric comparison between two Facebook campaigns.

Performance metric	Pilot campaign	Campaign with two ad sets
Total amount spent	5.00 USD	14.75 USD
Total number of page likes	76	31
Total number of post shares	6	9
Total number of link clicks	0	35
Ad Recall lift	7,601	10,300
CPA	.001	.001
Most responses (Age & gender)	18-24; men	18-24; men

In Table 20, a comparison between two Facebook campaigns is described. In the pilot campaign, 76 people liked the enterprise's business page whereas, 31 people liked the page during the second campaign. In terms of post sharing and link clicks, the campaign with two ad sets was more effective than the pilot campaign. Campaign with two ad sets resulted in 10,300 Ad Recall lift whereas, the pilot campaign resulted in 7,601 Ad Recall lift. The CPA for both campaigns remained the same.

**Figure 62.** Marketing expenses in November.

In Figure 62, online and offline marketing expenses in the month of November is displayed. The enterprise invested 14.75 USD as Facebook paid promotion. For the offline campaign, they invested 250 USD only for billboard holding ad in different locations.



**Figure 63.** *Total marketing expenses and generated revenue in different months.*

In Figure 63, a comparison of total marketing expenses and generation of revenue in different months is exhibited. In this comparison, the expenses are divided into two parts. The first one is marketing expenses without the billboard holding ad. These expenses were occurred by printing and distributing of different size of wall posters, by printing and distributing of pamphlets, and by posting an advertisement in a local newspaper. The second one is marketing expense which includes only billboard holding ad. In July, the enterprise spent 456.25 USD and in return, the revenue was 10,191 USD. In August, revenue reached to 10,624 USD and for that, 343.75 USD was spent. In September, revenue and overall marketing expenses were almost identical compared with revenue and marketing expenses in August.

## 7. DISCUSSION AND LESSONS LEARNED

### 7.1 Overview of the proposed framework

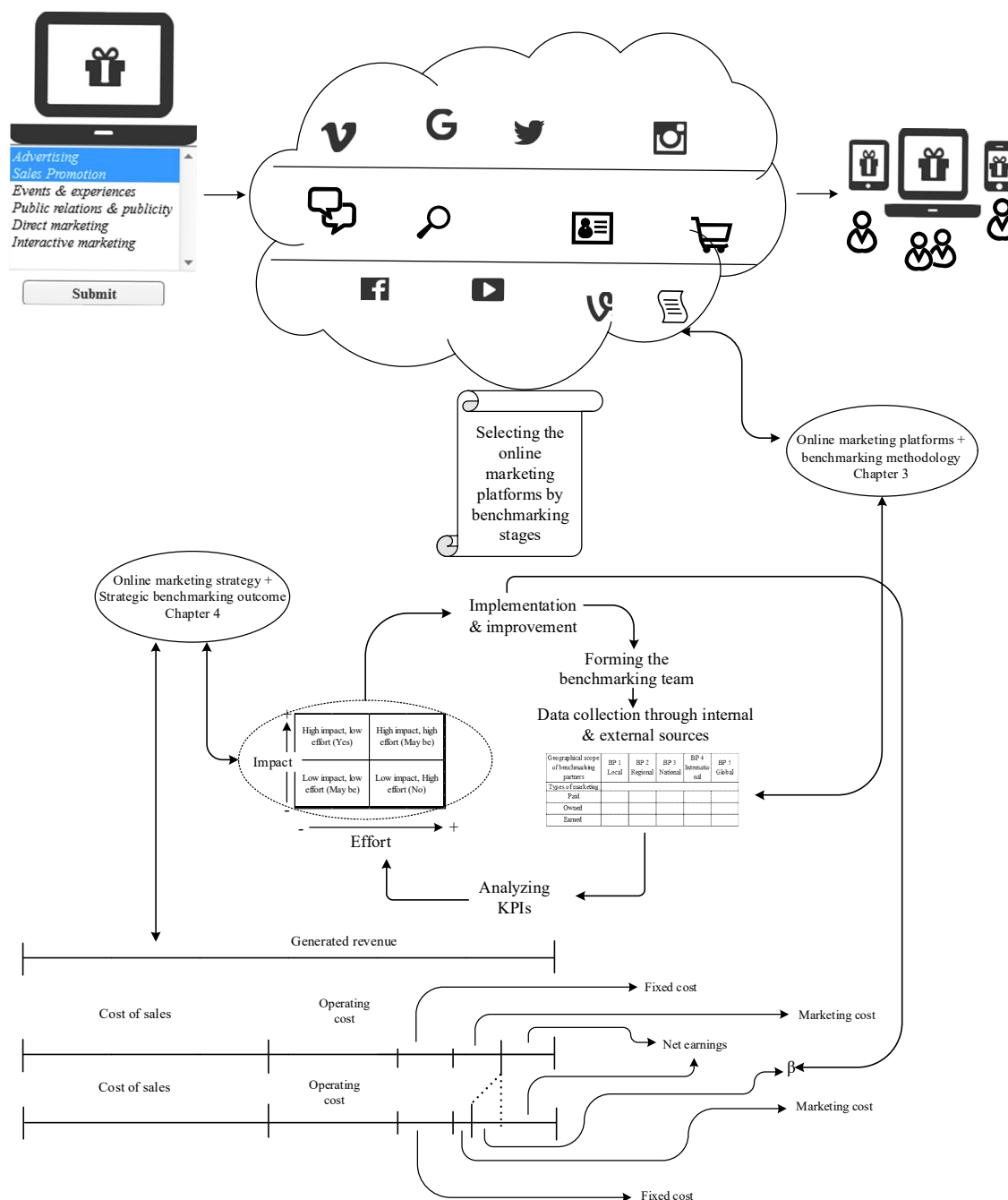
Customer value is all about taking a closer look at the unexpressed needs of customers' and fulfilling the needs in delightful and unexpected ways. Customer value is rather experienced and felt (Lanning, 1998), and far more than finding a way to beat the competition (Woodruff, 1997). It is the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithaml, 1988). Customer value is also defined as a tradeoff between the quality or benefits they perceive in the product relative to the sacrifice they perceive by paying the price (Monroe, 1990).

According to Lyly-Yrjänäinen et al. (2010), these benefits may be economic, psychological or functional. The authors have interpreted the monetary value of these three types of benefits as total customer value. Karimian Pour (2015), offers a more detailed categorization of the benefits and sacrifices discussed in Lyly-Yrjänäinen et al. (2010). According to Karimian Pour (2015), the benefits are functional, service, economic, psychological, and social. On contrary, the sacrifices are the purchase price, acquisition price, operation price, disposal price, and psychological.

From organization or company's perspective, in order to provide these different types of benefits, a set of reasons must be addressed to the customers which would drive internal and external communication between customers and organization (Lanning, 1998). Lanning (1998) defines these set of reason as the value proposition. Later, Anderson et al. (2006) discuss three important characteristics of those set of reasons.

For addressing the set of reasons or value proposition to customers, communication channel plays a significant role in both customers and organization. This study assumes the compelling value propositions are delivered through a value container (which is basically a product or service) to their customers. This study also argues the perceived customer value (Lyly-Yrjänäinen et al., 2010) is delivered through marketing channel as a value container to different types of customer groups.

From the last two decades, the conventional marketing techniques were replacing by more interactive and customer-centric online marketing techniques (Chaffey, 2010). The number of platforms is rapidly increasing and the implementation techniques are changing day by day. Due to a large number of online marketing platforms and implementation techniques, the study proposes strategic benchmarking methodology (Kyrö, 2003) in order to select the suitable marketing platform and appropriate implementation techniques according to the capability and necessity.



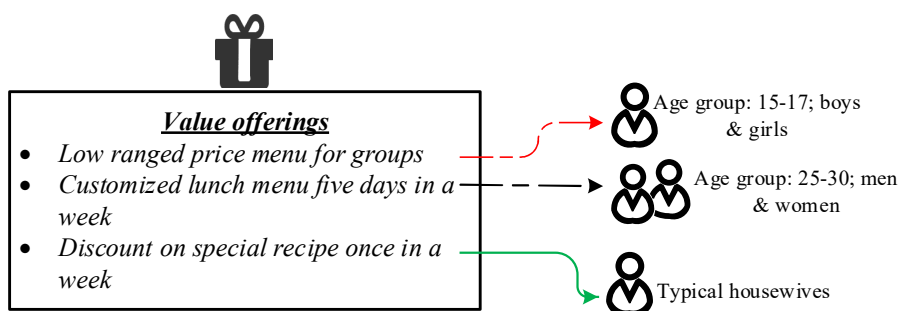
**Figure 64.** Framework of the thesis.

The framework proposes value container could be delivered to different customer groups through online advertising and marketing promotions. Out of several marketing platforms such as Facebook, Instagram, You Tube, Twitter, Google plus, and organic search suitable marketing platforms need to be selected according to implementation capability, platform popularity, and internal resources. The process of selecting implementation techniques and popularity could be performed through strategic benchmarking process. By analyzing the benchmarking partners' key performance indicators (KPIs), platforms and techniques could be

positioned according to their impact on the organization and required effort. The high impact and low effort platform would provide the best possible result which comes with an additional earnings  $\beta$ .

## 7.2 Reflection of the case in framework

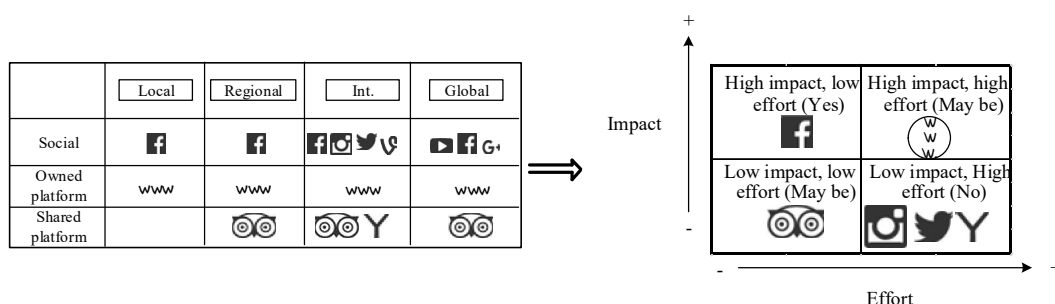
As discussed in section 6.2, the case enterprise identified new target customer groups for their value propositions. The case enterprise listed their set of reasons for different groups in order to influence their target audience and to convert target audience into potential customers. Figure 67 represents different values to the different type of customer groups.



**Figure 65.** Value offerings to target customer groups.

According to case enterprise, their compelling values are:

- Low-ranged price menu for age group 15-17, for attracting young boys and girls.
- Customized lunch menu that is served five days in a week for age group 25-30, for attracting working men and women.
- Discount on special recipe once in a week at certain time of the day to attract typical housewives.

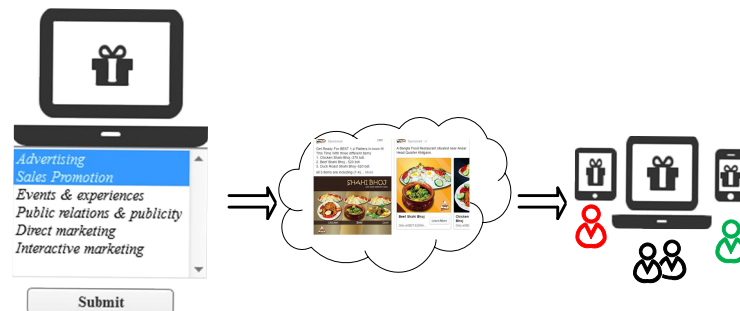


**Figure 66.** Selecting the suitable marketing platform by strategic benchmarking methodology.

For delivering the value propositions to the target groups, strategic benchmarking methodology was performed with four benchmarking partners. The result showed that all the partners have

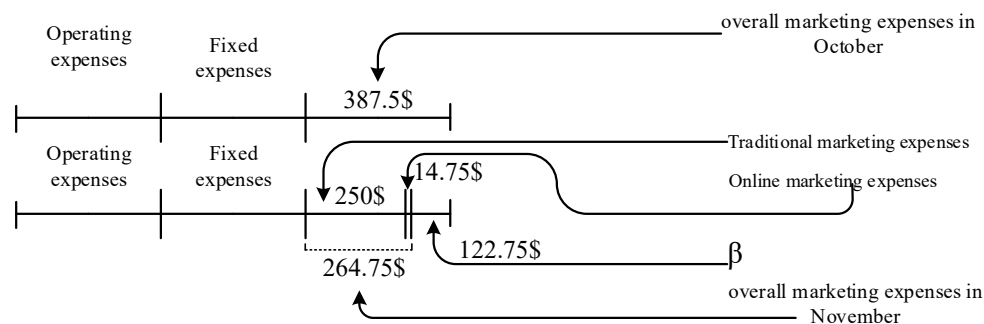


used Facebook as social media marketing channel, they all have a website which displays their brand and promotional offers, and three of them have registered their business with a third party platform (Trip Advisor) for receiving reviews and suggestions from their customers. These marketing platforms were positioned according to the possible impact upon case enterprise's business objective and required effort to implement. Among them, Facebook was selected as a high impact-low effort marketing platform.



**Figure 67.** Delivering value propositions through Facebook.

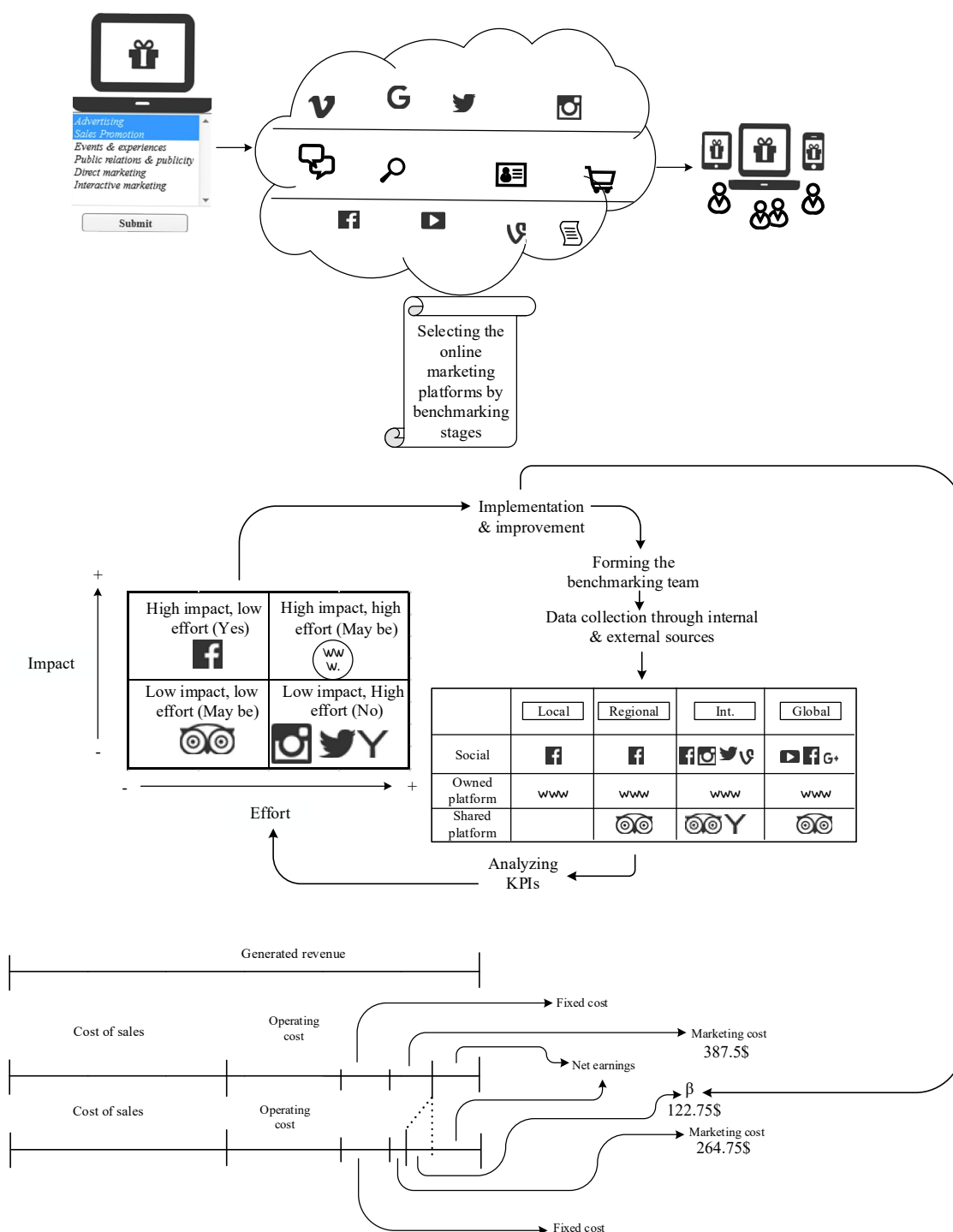
Figure 67 displays a Facebook marketing campaigns to deliver the value propositions. Two marketing campaigns were launched to analyze the benchmarking results and to observe the possible impact on overall marketing outcome. In Figure 68, a comparison of overall marketing expenses between October and November is explained.



**Figure 68.** Cost savings with online marketing.

In October, marketing expenses went high because of billboard advertising. 175 USD was spent for billboard holding ad on that month and overall marketing expense was 387.5 USD. In November, a Facebook promotional ad was introduced which cost only 14.75 USD. Moreover, the enterprise decided to invest more on billboard holding.

$$\begin{aligned}
 \beta &= \text{Total marketing expenses in October} - \text{Total marketing expenses in November} \\
 &= 387.5 - 264.75 \text{ USD} \\
 &= 122.75 \text{ USD}
 \end{aligned}$$



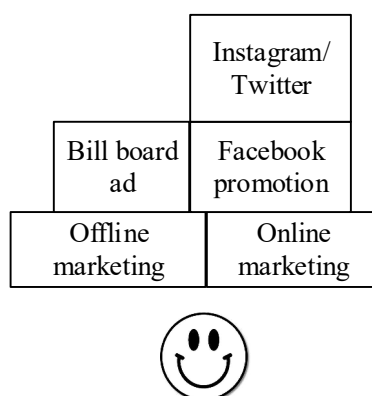
**Figure 69.** Delivering value proposition by strategic benchmarking model.

In Figure 69, how to deliver values to the target audience in online marketing by proposed strategic benchmarking method is described. According to the benchmarking study, Facebook, trip advisor, and own website were selected for online marketing. Among these platforms,

Facebook required least effort and provided high impact in case enterprise's perspectives. The marketing campaign was launched on Facebook and marketing cost 14.75 USD in November. In comparison with overall marketing costs in October, the cost was decreased to 264.75 USD which resulted in additional net earnings.

### 7.3 Analysis of the case result based on identified problem

Before the study, the enterprise does not have any complete marketing strategy which were one of the problems identified in section 5.4. This proposed framework combines both traditional and online marketing techniques which resolved the first problem.



**Figure 70.** Resolution of first problem.

To support and further evaluation of promotional campaign result, a second campaign was launched on December 1<sup>st</sup>, which ended on December 6<sup>th</sup>. The second campaign result also indicates the effectiveness of online marketing platform for reaching and attracting the intended target audience.



**Figure 71.** Total post reach and estimated Ad Recall lift for second campaign (Adopted from the enterprise's Facebook page).

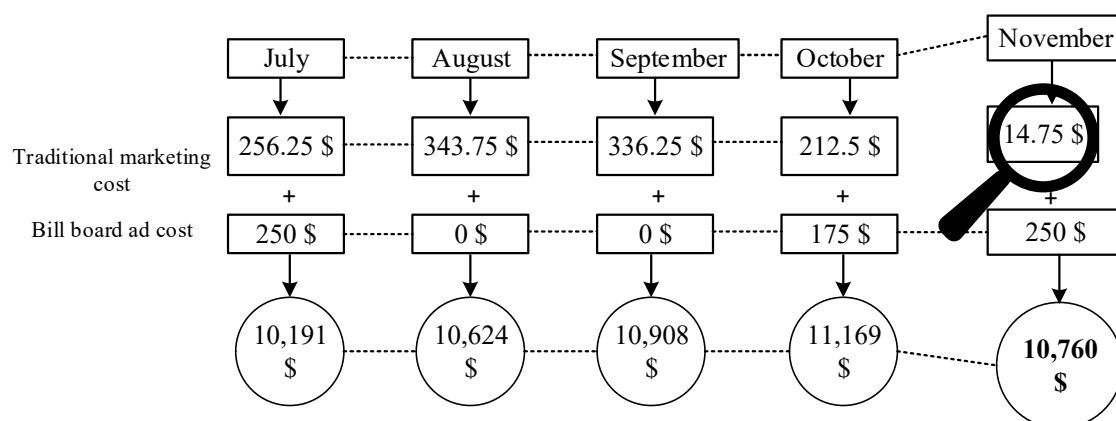
Figure 71 represents total number of post reach and Ad Recall lift for the second promotional campaign. The figure justifies again that, 18-24-year aged group men were mostly involved with the promotional campaign and this age group belongs to the prime audience.

**Table 21.** Comparison between two campaigns.

	First campaign		Second campaign	
Duration	Nov. 19 <sup>th</sup> – Nov. 26 <sup>th</sup>		Dec. 1 <sup>st</sup> – Dec. 6 <sup>th</sup>	
Reach and Ad Recall in percentage:	Total reach (Out of 87%)	Ad Recall lift (Out of 84%)	Total reach (Out of 89%)	Ad Recall lift (Out of 88%)
Age group: 18-24; men	37	35	36	35
<b>Age group: 25-34; men</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>41</b>
Reach and Ad Recall in percentage:	Total reach (Out of 13%)	Ad Recall lift (Out of 16%)	Total reach (Out of 11%)	Ad Recall lift (Out of 12%)
Age group: 18-24; women	9	11	8	8
Age group: 25-34; women	3	3	3	3

According to Table 21, 25-34 year aged men represents highest advert reach and Ad Recall lift for both promotional campaigns. This comparison clearly indicates the prime and most responsive target audience which could be converted into potential customers in near future. This indication solves the second problem.

With the help of online marketing strategy, the overall marketing costs were reduced which generated the additional net earnings  $\beta$ . Moreover, in a comparison with previous months, deduction in overall marketing cost does not create a significant impact on total revenue.



**Figure 72.** Resolution of limited marketing budget.

Figure 72 depicts the impact of traditional marketing cost and billboard cost on generated revenue. In August and September, the case enterprise relied on traditional marketing techniques and generated revenue was 10,624 \$ and 10,908 \$ respectively. On contrary, in November, the enterprise spent only 14.75 \$ on online marketing and 250 \$ on billboard ad which generated 10,760 \$ revenue. The analysis concludes that with proposed marketing

strategy the overall marketing costs could be curtailed without affecting much on generated revenue.

#### **7.4 Research limitation**

According to the strategic benchmarking study, three online marketing platforms were discovered for the case enterprise to implement the strategy. Among them, only Facebook was used as a social media marketing platform for implementation. The other platforms, launching an own website and establishing the business in Trip advisor, were not considered due to limited fund and lack of time.

The campaign results clearly depict the target audience which had the highest reach and Ad Recall lift. However, the Facebook marketing platform does not allow to categorize a total number of ad reach and Ad Recall lift for customized audience group.

The proposed strategy was implemented for only one month. The study came to a conclusion based on that one month's generated revenue. Successive implementation of strategy would provide a better analysis and a clearer view of the entire scenario.

## 8. CONCLUSION

This study searched for an answer to the question: how to deliver the value proposition to the target audience by using the online marketing strategies? Nowadays, online marketing is playing a significant role in modern marketing communication. Besides traditional or outbound marketing platforms, online marketing platforms provide an excellent opportunity for two-way communication between customer and organization. However, due to a large number of online marketing platforms and niche audience, it is difficult to identify and select right marketing platforms for the business. The study claims to resolve the problem with the three dimensional strategic benchmarking methodology.

In this study, a value proposition delivery framework was proposed according to the three dimensional benchmarking model of Kyrö (2003). The benchmarker, in this context the case company, was considered as a local and regional organization in terms of geographical scope. Four organizations were selected as benchmarking partner. The benchmarking partners were selected carefully based on their geographical scope and their online marketing presence and strategies were categorized according to paid, owned and earned media marketing. Finally, Strategic benchmarking was chosen as a benchmarking subject on the three dimensional model.

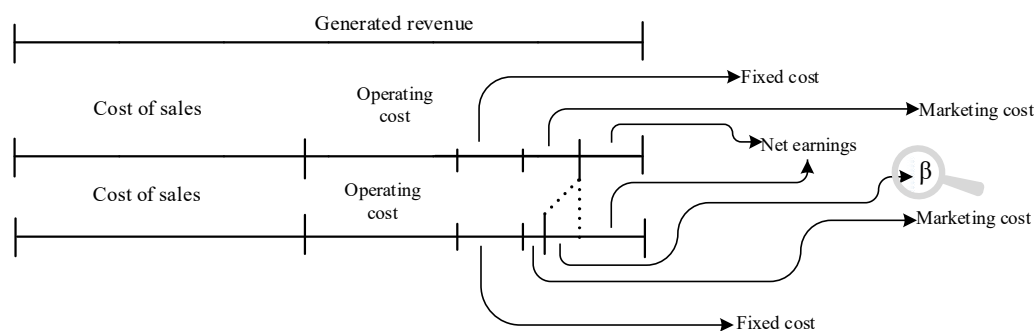
The benchmarking process was conducted according to the five stages benchmarking process of Matters & Evans (1997). In the third stage of the process, relevant data was collected through internal and external resources. Three dimensional strategic benchmarking model was applied while collecting the data from the partners. In the fourth stage, key performance indicators were analyzed from the collected data. The most successful marketing platforms and strategies were considered based on previously selected KPIs. In the final stage, successful platforms and strategies were positioned in impact vs effort matrix to select the appropriate platforms and strategies according to their customized needs.

The study was started with recognizing the needs of a small sized enterprise which was lacking a complete marketing strategy. The case company always had limited budget for experimenting different marketing platforms and they were not able to reach and attract their right audience group. Despite of their continuous traditional marketing efforts, the company did not find any significant impact on generated revenues. To resolve the issues, a new marketing strategy was proposed which includes both online and offline marketing platforms.

In order to select most appropriate online marketing platforms for the company, strategic benchmarking was performed with the four benchmarking partners. After careful observation and analyzing the key performance indicators, three platforms were selected for the online marketing. At the end, only one platform was chosen according to high impact and low effort criteria.

The thesis also claims with this proposed framework, overall marketing costs of a small and medium sized enterprise could be curtailed and net earnings could be increased. The study compared total marketing expenses and generated revenue in two successive months. By the help of traditional or offline marketing strategies, generated revenue remained almost constant. On the other hand, with online marketing strategies, overall marketing expenses were reduced and resulted in an additional saving. Although, the study did not find any significant impact on generated revenue.

One of the key findings of this study was to reduce the overall marketing expenses without impacting much on generated revenue. This finding could benefit small and medium sized enterprises, and for those who have limited marketing budget to reshuffle their marketing strategies. Moreover, the additional saving could be utilized for other purposes. Figure 73 depicts one of the key findings of the study.



**Figure 73.** One of the key findings of the study.

Despite the results achieved from the empirical study in this thesis, there are some limitations. Out of three marketing platforms, only one was used for implementation due to limited budget and lack of time. Although, the platform identifies the target audience which had the highest reach and ad recall lift, the platform does not allow to categorize ad reach and ad recall lift for customized audience group. Finally, successive implementation needs to be performed for a better and more convincing result of the study. Hopefully, in the future more research will be conducted to select the most appropriate marketing platforms for delivering the value proposition to the target audience.

## BIBLIOGRAPHY

- Ahmed, P.K. & Rafiq, M. (1998). Integrated benchmarking: a holistic examination of select techniques for benchmarking analysis, *Benchmarking Qual Mgmt & Tech*, Vol. 5(3), pp. 225-242
- Amaratunga, D., Baldry, D., Sarshar, M., & Newton, R. (2002). Quantitative and qualitative research in the built environment: application of “mixed” research approach. *Work study*, 51(1), 17-31.
- American Productivity and Quality Center. (1993). *The Benchmarking Management Guide*. Productivity Press.
- American Marketing Association. (2007). AMA definition of marketing. Retrieved from <http://www.marketingpower.com/>
- Anand, G., & Kodali, R. (2008). Benchmarking the benchmarking models. *Benchmarking: An International Journal*, 15(3), 257-291.
- Anderson, J. C., Narus, J. A., & Van Rossum, W. (2006). Customer value propositions in business markets. *Harvard business review*, 84(3), 90.
- Bemowski, K. (1991). The benchmarking bandwagon. *Quality progress*, 24(1), 19-24.
- Bennett, P. D., & American Marketing Association. (1995). Dictionary of marketing terms.
- Berthon, P., Pitt, L., & Watson, R. T. (1996). Marketing communication and the world wide web. *Business Horizons*, 39(5), 24-32.
- Bhutta, K. S., & Huq, F. (1999). Benchmarking-best practices: an integrated approach. *Benchmarking: An International Journal*, 6(3), 254-268.
- Blattberg, R. C., Glazer, R., & Little, J. D. (1994). *The marketing information revolution*. Harvard Business School Press.
- Butz, H. E., & Goodstein, L. D. (1997). Measuring customer value: gaining the strategic advantage. *Organizational dynamics*, 24(3), 63-77.
- Camp, R. C. (2013). *Benchmarking: the search for industry best practices that lead to superior performance*. Milwaukee, Wis.: Quality Press; Quality Resources, 1989.
- Camp, R. C. (1992). Learning from the best leads to superior performance. *Journal of business strategy*, 13(3), 3-6.



- Carothers, G. H., & Adams, M. (1991). Competitive advantage through customer value: the role of value-based strategies. *Stahl, MJ & Bounds, GM (ed.)*, 32-66.
- Chaffey, D. (2010). *E-Business and E-Commerce Management: Strategy, Implementation and Practice*.
- Christensen, L. T., & Cornelissen, J. (2010). Bridging corporate and organizational communication: Review, development and a look to the future. *Management Communication Quarterly*, 0893318910390194.
- Cova, B., Dalli, D. & Zwick, D. (2011). Critical Perspectives on Consumers Role as Producers: Broadening the Debate on Value Co-creation in Marketing Processes. *Marketing Theory 11 (Sep.): 231–241*.
- Dattakumar, R. & Jagadeesh, R. (2003). A review of literature on benchmarking, *Benchmarking*, Vol. 10(3), pp. 176-209.
- De Chernatony, L., Harris, F., & Dall'Olmo Riley, F. (2000). Added value: its nature, roles and sustainability. *European Journal of marketing*, 34(1/2), 39-56.
- Dervitsiotis, K. N. (2000). Benchmarking and business paradigm shifts. *Total Quality Management*, 11(4-6), 641-646.
- Duchessi, P. (2004). *Crafting customer value: the art and science*. Purdue University Press
- Edelman, D.C. (2010). Branding in The Digital Age, *Harvard business review*, Vol. 88(12), pp. 62-69.
- Edelman, R. (2014). Why we need to rethink our approach to communications, PR and marketing. Retrieved from <http://www.edelman.com/insights/intellectual-property/the-rise-of-communications-marketing/>
- Epper, R. M. (1999). Applying benchmarking to higher education: some lessons from experience. *Change: The Magazine of Higher Learning*, 31(6), 24-31.
- Fill, C. (2006). *Simply marketing communications*. Pearson Education.
- Finne, Å., & Grönroos, C. (2009). Rethinking marketing communication: From integrated marketing communication to relationship communication. *Journal of Marketing Communications*, 15(2-3), 179-195.
- Freytag, P. V., & Hollensen, S. (2001). The process of benchmarking, benchlearning and benchaction. *The TQM magazine*, 13(1), 25-34.
- Gale, B., & Wood, R. C. (1994). *Managing customer value: Creating quality and service that customers can see*. Simon and Schuster.

- Gambetti, R. C., Graffigna, G., & Biraghi, S. (2012). The grounded theory approach to consumer-brand engagement. *International Journal of Market Research*, 54(5), 659-687
- Grönroos, C. (1997). Value-driven relational marketing: from products to resources and competencies. *Journal of marketing management*, 13(5), 407-419.
- Gummesson, E. (1993). Case study research in management: Methods for generating qualitative data. *Department of Business Administration, Stockholm University*.
- Gutman, J. (1982). A means-end chain model based on consumer categorization processes. *The Journal of Marketing*, 60-72.
- Horovitz, J. (2000). *The Seven Secrets of Service Strategy: Jacques Horovitz*. Financial Times/Prentice Hall.
- Huber, F., Herrmann, A., & Morgan, R. E. (2001). Gaining competitive advantage through customer value oriented management. *Journal of consumer marketing*, 18(1), 41-53
- Johne, A. (1992). Market driven strategy: Processes for creating value: by G. Day, The Free Press, New York, 1990, £ 21.50, 405 pages.
- Kaplan, R. S., & Norton, D. P. (2004). The strategy map: guide to aligning intangible assets. *Strategy & Leadership*, 32(5), 10-17.
- Karimian Pour, N. (2015). Fully functional mockups in constructing value proposition. Master of science thesis. Tampere university of technology.
- Karlöf, B., & Östblom, S. (1993). *Benchmarking: a signpost to excellence in quality and productivity*. John Wiley & Sons Inc.
- Kaufman, J. J. (1998). *Value management: Creating competitive advantage* (Vol. 21). Thomson Crisp Learning.
- Kiani, G. R. (1998). New games, new rules: will traditional mentality work in the marketplace. *Management Research News*, 21(6), 1-9.
- Kierzkowski, A., Mcquade, S., Waitman, R., & Zeisser, M. (1996). Current research: marketing to the digital consumer. *The mckinsey quarterly*, (2), 180-183.
- Kiley, D. (2005). Hey advertisers, TiVo is your friend. *BusinessWeek*, October 17, 97-8.
- Kotler, P., Keller, K. L., & Lu, T. (2009). *Marketing management in China*. Pearson.

- Kumar, A., Antony, J., & Dhakar, T. S. (2006). Integrating quality function deployment and benchmarking to achieve greater profitability. *Benchmarking: An International Journal*, 13(3), 290-310.
- Kyrö, P. (2003). Revising the concept and forms of benchmarking. *Benchmarking: An International Journal*, 10(3), 210-225.
- Lanning, M. J. (1998). *Delivering profitable value: A revolutionary framework to accelerate growth, generate wealth, and rediscover the heart of business*. Da Capo Press.
- Lema, N. M., & Price, A. D. (1995). Benchmarking: performance improvement toward competitive advantage. *Journal of Management in Engineering*, 11(1), 28-37.
- Lemon, K. N., Rust, R. T., & Zeithaml, V. A. (2001). What drives customer equity. *Marketing Management*, 10(1), 20.
- Leszinski, R., & Marn, M. V. (1997). Setting value, not price. *The McKinsey Quarterly*, (1), 98-116.
- Linsenmeyer, A. (1991). *Fad or fundamental*. Financial World, September 17, p. 34.
- Luo, X., & Donthu, N. (2006). Marketing's credibility: a longitudinal investigation of marketing communication productivity and shareholder value. *Journal of Marketing*, 70(4), 70-91.
- Lyly-yrjänäinen, J., Velasquez, S., Suomala, P. & Uusitalo, O. (2010). Introduction to industrial management. *Tampere University of Technology. Department of Industrial Management*.
- Maire, J. L. (2002). A model of characterization of the performance for a process of benchmarking. *Benchmarking: An International Journal*, 9(5), 506-520.
- Maire, J. L., Bronet, V., & Pillet, M. (2005). A typology of "best practices" for a benchmarking process. *Benchmarking: An International Journal*, 12(1), 45-60.
- Matters, M., & Evans, A. (1996). *The nuts and bolts of benchmarking*. Benchmarking Link-Up Australia.
- McNair, C. J., & Leibfried, K. H. (1992). *Benchmarking: A tool for continuous improvement*. John Wiley & sons.
- Merz, M. A., He, Y., & Vargo, S. L. (2009). The evolving brand logic: a service-dominant logic perspective. *Journal of the Academy of Marketing Science*, 37(3), 328-344.
- Michael, T., & Fred, W. (1995). *The Discipline of Market Leaders*. Perseus Book.

- Minor, E. D., Hensley, R. L., & Wood, D. R. (1994). A review of empirical manufacturing strategy studies. *International Journal of Operations & Production Management*, 14(1), 5-25.
- Monroe, K. B. (1990). *Pricing: Making profitable decisions* (pp. 37-46). New York: McGraw-Hill.
- Moody, D. (2002). Empirical Research Methods. Research method class, March 8, 15 & 22. IT University of Copenhagen, 4p.
- Moriarty, J. P., & Smallman, C. (2009). En route to a theory of benchmarking. *Benchmarking: An International Journal*, 16(4), 484-503.
- Mueller, B., Ahlemann, F., & Roeder, K. (2010). Understanding the success of strategic IT/IS benchmarking: results from a multiple-case study.
- Nandi, S., & Banwet, D. (2000). Benchmarking for world class manufacturing—concept, framework and applications. *Productivity*, 41(2), 189-200.
- Normann, R. (2001). *Reframing business: When the map changes the landscape*. John Wiley & Sons.
- Omachonu, V. K., & Ross, J. E. (1994). Principles of Total Quality. *Journal for Healthcare Quality*, 16(6), 36-38.
- Parolini, C. (1999). *The value net: A tool for competitive strategy*. Wiley.
- Peischl, T. M. (1995). Benchmarking: A Process for Improvement.
- Petkus, E. (2009). Historical perspectives in marketing education: Justification and implementation. *Journal of Marketing Education*.
- Porter, M. E. (1985). Competitive advantage: creating and sustaining superior performance. 1985. New York: FreePress.
- Reichheld, F. F. (1994). Loyalty and the renaissance of marketing. *Marketing Management*, 2(4), 10.
- Remenyi, D. (1998). Doing research in business and management: an introduction to process and method. Sage.
- Salem Khalifa, A. (2004). Customer value: a review of recent literature and an integrative configuration. *Management decision*, 42(5), 645-666.
- Sarkis, J. (2013). *Green supply chain management*. Momentum Press.

- Schultz, D. E., & Kitchen, P. J. (2004). Managing the changes in corporate branding and communication: Closing and re-opening the corporate umbrella. *Corporate Reputation Review*, 6(4), 347-366.
- Schultz, D. E., & Block, M. P. (2012). Rethinking brand loyalty in an age of interactivity. *IUP Journal of Brand Management*, 9(3), 21.
- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of business research*, 22(2), 159-170.
- Simon, A., Sohal, A., & Brown, A. (1996). Generative and case study research in quality management: Part I: theoretical considerations. *International Journal of Quality & Reliability Management*, 13(1), 32-42.
- Spendolini, M. J. (1992). *The Benchmarking Book*. American Management Association. New York, NY.
- Thaler, L. K., & Koval, R. (2003). *Bang! Getting your message heard in a noisy world*. New York: Currency.
- Thøger Christensen, L., Torp, S., & Fuat Firat, A. (2005). Integrated marketing communication and postmodernity: an odd couple. *Corporate Communications: An International Journal*, 10(2), 156-167.
- Value delivery blog. Retrieved from <http://www.dpvgroup.com/value-delivery-blog/>
- Vaziri, H. K. (1992). Using competitive benchmarking to set goals. *Quality Progress*, 25(10), 81-85.
- Voss, C., Tsikriktsis, N., & Frohlich, M. (2002). Case research in operations management. *International journal of operations & production management*, 22(2), 195-219.
- Wah Fong, S., Cheng, E. W., & Ho, D. C. (1998). Benchmarking: a general reading for management practitioners. *Management Decision*, 36(6), 407-418.
- Walters, R. (2016). Retrieved from <http://www.business2community.com/digital-marketing/evolution-digital-marketing-enterprise-01651652#h2mZHXQmxdy1p6Vl.97>
- Watson, G. H. (1993). *Strategic benchmarking: How to rate your company's performance against the world's best*. Wiley.
- Wikstrom, S., & Normann, R. (1994). Knowledge and value: A new perspective on corporate transformation.

- Wohlin, C., Höst, M., & Henningsson, K. (2006). Empirical research methods in Web and software Engineering. *Web engineering* (pp. 409-430). Springer Berlin Heidelberg.
- Wolfram Cox, J. R., Mann, L., & Samson, D. (1997). Benchmarking as a mixed metaphor: disentangling assumptions of competition and collaboration. *Journal of Management Studies*, 34(2), 285-314.
- Woodruff, R. B., & Gardial, S. (1996). *Know your customer: New approaches to understanding customer value and satisfaction*. Wiley.
- Woodruff, R. B. (1997). Customer value: the next source for competitive advantage. *Journal of the academy of marketing science*, 25(2), 139-153.
- Yablonski, C. (2014). The digital marketing gap: why most small businesses are invisible online. Retrieved from [https://www.linkedin.com/pulse/20140815184143-41433521-the-digital-marketing-gap-why-most-small-businesses-are-invisible-online?trkInfo=VSRPsearchId%3A2201943931484482668106%2CVSRPtargetId%3A5906112502340530177%2CVSRPcmpt%3Aprimary&trk=vsrp\\_influencer\\_content\\_res\\_name](https://www.linkedin.com/pulse/20140815184143-41433521-the-digital-marketing-gap-why-most-small-businesses-are-invisible-online?trkInfo=VSRPsearchId%3A2201943931484482668106%2CVSRPtargetId%3A5906112502340530177%2CVSRPcmpt%3Aprimary&trk=vsrp_influencer_content_res_name)
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *The Journal of marketing*, 2-22.